

## HARDWOOD LABELING, 1961

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HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON  
INTERSTATE AND FOREIGN COMMERCE  
HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH CONGRESS

FIRST SESSION

ON

H.R. 1141 and H.R. 1949

BILLS TO PROTECT CONSUMERS AND OTHERS AGAINST  
MISBRANDING AND FALSE ADVERTISING OF DECORATIVE  
HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

AUGUST 15 AND 16, 1961

Printed for the use of the  
Committee on Interstate and Foreign Commerce



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HEARINGS

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## HARDWOOD LABELING, 1961

TUESDAY, AUGUST 15, 1961

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON COMMERCE AND FINANCE  
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE  
*Washington, D.C.*

The subcommittee met at 10 a.m., pursuant to recess, in room 1334, New House Office Building, Hon. Peter F. Mack, Jr., presiding.

Mr. MACK. The committee will come to order. This subcommittee is beginning public hearings this morning on two pending bills, H.R. 1141 by Mr. Bray of Indiana, and H.R. 1949, by our colleague on this committee, Mr. Moulder of Missouri. These are similar bills to protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products.

These bills would make it unlawful, and an unfair method of competition, and an unfair and deceptive act or practice in commerce, under the Federal Trade Commission Act, to introduce, sell, advertise, offer for sale, transport, or distribute in commerce any decorative hardwood or simulated hardwood product which is misbranded or falsely or deceptively advertised within the meaning of these bills.

The Federal Trade Commission is designated as the administering and enforcing agency. It is authorized to prescribe rules governing the manner and form for disclosing the information required by this legislation for the proper administration and enforcement of this law.

These bills are patterned after the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, and the Textile Fiber Products Identification Act, all of which were considered and approved by this committee.

These bills are also quite similar to several bills introduced in the 86th Congress (H.R. 9310, H.R. 9349, and H.R. 10653). The Subcommittee on Commerce and Finance held hearings on these bills in June 1960. Consequently, we have some familiarity with the subject.

A copy of H.R. 1141 and H.R. 1949 together with agency reports thereon will be made a part of the record at this point.

(The documents referred to follow:)

[H.R. 1141, 87th Cong., 1st sess.]

A BILL To protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Decorative Hardwood or Simulated Hardwood Products Labeling Act".*

SEC. 2. As used in this Act—

(a) the term "person" means an individual, partnership, corporation, association, business trust, or any organized group of any of the foregoing;



(b) the term "hardwood" means any timber product originating from deciduous trees which retains its natural growth structure after being converted into veneer and lumber;

(c) the term "simulated hardwood" shall mean any material, including, but not restricted to, wood, fiberboard, plastic, metal, gypsum, paper, and film, to which there has been applied (by printing or any other process) an imitation of any hardwood grain, figure, or growth character;

(d) the term "decorative hardwood" shall mean hardwood veneer, plywood, flooring, and lumber, the wood face of which has been varnished, shellacked, lacquered, stained, or otherwise finished to display the natural wood grain, figure, or growth character;

(e) the term "decorative hardwood or simulated hardwood products" means any article of furnishing or structure surface covering in which all or part of the exposed surface area is decorative hardwood or simulated hardwood, or both;

(f) the term "exposed surface area," as used in the definition of "decorative hardwood or simulated hardwood products," means any exterior surface which is exposed to view when the product is installed or placed in normal position;

(g) the term "furnishing" as used in the definition of "decorative hardwood or simulated hardwood products" means any article of furniture, or musical instruments, or cabinets, the exposed surface of which is made in whole or in part of decorative hardwood or simulated hardwood, including but not limited to furniture, cabinets for radio, television, phonograph, high fidelity, and for kitchens;

(h) the term "structure surface covering," as used in the definition of "decorative hardwood or simulated hardwood products," means wall paneling, partitions, ceiling paneling, floor covering, doors, and prebuilt and finished ready to install (except for cutting and fitting) cabinets of all kinds, the exposed surface of which is made in whole or in part of decorative hardwood or simulated hardwood;

(i) the term "veneered construction" means that all or part of the exposed surfaces of the article so described are in fact genuine hardwood veneer;

(j) the term "Commission" means the Federal Trade Commission;

(k) the term "Federal Trade Commission Act" means the Act entitled "An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914, as amended;

(l) the term "commerce" means commerce between any State, or possession of the United States, or Puerto Rico, or the District of Columbia, and any place outside thereof; or between points within the same State, Puerto Rico, or possession, or the District of Columbia, but through any place outside thereof; or within any possession, or Puerto Rico, or the District of Columbia; and

(m) the term "United States" means the several States, the District of Columbia, Puerto Rico, and possessions of the United States.

#### MISBRANDING AND FALSE ADVERTISING DECLARED UNLAWFUL

SEC. 3. (a) The introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative hardwood or simulated hardwood product which is misbranded or falsely or deceptively advertised, within the meaning of this Act or the rules and regulations prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(b) The sale, advertising, offering for sale, transportation, or distribution, of any decorative hardwood or simulated hardwood product which has been shipped and received in commerce, and which is misbranded or falsely or deceptively advertised, within the meaning of this Act or the rules and regulations prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(c) The introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative hardwood or simulated hardwood product which is falsely or deceptively advertised, within the meaning of this Act or the rules and regulations

prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(d) Except as provided in subsection (e) of this section, it shall be unlawful to remove or mutilate, or cause or participate in the removal or mutilation of, prior to the time any decorative hardwood or simulated hardwood product is sold and delivered to the ultimate consumer, any label required by this Act to be affixed to such decorative hardwood or simulated hardwood product, and any person violating this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(e) Any person introducing, selling, advertising, or offering for sale, in commerce, or processing for commerce, a decorative hardwood or simulated hardwood product, or any person selling, advertising, offering for sale, or processing a decorative hardwood or simulated hardwood product which has been shipped and received in commerce, may substitute for the label affixed to such product pursuant to section 4 of this Act, a label conforming to the requirements of such section. Any person substituting a label shall keep such records as will show the information set forth on the label that he removed and the name or names of the person or persons from whom such decorative hardwood or simulated hardwood product was received, and shall preserve such records for at least three years. Neglect or refusal to maintain and preserve such records is unlawful, and any person who shall fail to maintain and preserve such records shall forfeit to the United States the sum of \$100 for each day of such failure, which shall accrue to the United States and be recoverable by a civil action. Any person substituting a label who shall fail to keep and preserve such records, or who shall by such substitution misbrand a decorative hardwood or simulated hardwood product, shall be guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(f) Subsections (a), (b), and (c) of this section shall not apply to any common carrier, contract carrier, or freight forwarder in respect of a decorative hardwood or simulated hardwood product shipped, transported, or delivered for shipment in commerce in the ordinary course of business.

#### MISBRANDING DECORATIVE HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

SEC. 4. (a) For the purpose of this Act, a decorative hardwood or simulated hardwood product shall be considered to be misbranded—

(1) if it is falsely or deceptively labeled or otherwise falsely or deceptively identified, or if the label contains any form of misrepresentation or deception, directly or by implication, with respect to such decorative hardwood or simulated hardwood product;

(2) if there is not affixed to each decorative hardwood or simulated hardwood product (flooring may be labeled by the package, or bundle) a label showing in words and figures plainly legible the labeling information required by this law.

(b) Any decorative hardwood product must be labeled either by the correct common name (excepting trade names and trademarks) of the hardwood actually used for the exposed surface area of the decorative hardwood product or by the words "genuine hardwood", and any veneered exposed surfaces shall be clearly indicated by the additional word "veneers" or "plywood". In addition, if other hardwood species names are also used to describe color, the imitated species name must be immediately preceded by the word "simulated"; as for example: a table with walnut veneered top and other species legs would be labeled either "walnut veneers (or plywood) and other genuine hardwood solids", "walnut veneers (or plywood) and (name of species) solids", or "walnut veneered (or plywood) top and simulated walnut solids", or simply "genuine hardwood veneered (or plywood) construction".

(c) Trade names, or trademarks, may be used on decorative hardwood products where such names and marks do not incorporate a common hardwood name or a derivative thereof and provided such trade name or mark is registered with the Federal Trade Commission together with the botanical name of the decorative hardwood on which such name or mark is to be used exclusively.

(e) Any material, including wood, fiberboard, plastic, metal, gypsum, paper, and film, when there is applied thereto a printed or engraved surface to simulate the appearance of any hardwood grain, figure, or growth character shall be



clearly named on the label (trade names not sufficient and adequately described and the simulated hardwood graining shall be specifically disclosed; as for example: "fiberboard, simulated walnut grain", or "plastic, simulated maple grain", or "elm veneered (or plywood) construction, simulated teak grain", or "hardwood veneered (or plywood) construction, simulated teak grain".

#### FALSE ADVERTISING OF DECORATIVE HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

SEC. 5. For the purposes of this Act, a decorative hardwood or simulated hardwood product shall be considered to be falsely or deceptively advertised if any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist directly or indirectly in the sale or offering for sale of such decorative hardwood or simulated hardwood product uses the name of any hardwood species, in describing the exposed surfaces of such product, when, in fact, such surfaces are not made of that hardwood species, unless such species name be immediately preceded by the word "simulated" in type of equal size and legibility.

#### ENFORCEMENT OF THE ACT

SEC. 6. (a) (1) Except as otherwise specifically provided in this Act, sections 3 and 9(b) of this Act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act.

(2) The Commission is authorized and directed to prevent any person from violating the provisions of sections 3 and 9(b) of this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act; and any such person violating any provision of section 3 or 9(b) of this Act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this Act.

(b) The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act, and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act. The Commission is granted authority to exclude from the provisions of this legislation any decorative hardwood or simulated hardwood products, disclosure concerning which is not necessary for the protection of the ultimate consumer.

(c) The Commission is authorized (1) to cause inspections, analyses, tests, and examinations to be made of any decorative hardwood or simulated hardwood product subject to this Act; and (2) to cooperate, on matters related to the purposes of this Act, with any department or agency of the Government; with any State, Puerto Rico, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

(d) (1) Every manufacturer or dealer in decorative hardwood or simulated hardwood products shall maintain proper records showing the information required by this Act with respect to all decorative hardwood or simulated hardwood products handled by him, and shall preserve such records for at least three years.

(2) The neglect or refusal to maintain and preserve such records is unlawful, and any such manufacturer or dealer who neglects or refuses to maintain and preserve such records shall forfeit to the United States the sum of \$100 for each day of such failure which shall accrue to the United States and be recoverable by a civil action.

#### CONDEMNATION AND INJUNCTION PROCEEDINGS

SEC. 7. (a) (1) Any decorative hardwood or simulated hardwood product shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by process of libel for condemnation, if the Commission has reasonable cause to believe such decorative hardwood or simulated hardwood product is being manufactured or held for shipment or shipped, or held for sale or exchange after shipment, in



commerce, in violation of the provisions of this Act, and if after notice from the Commission the provisions of this Act with respect to such decorative hardwood or simulated hardwood product are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suits in rem in admiralty, and may be brought by the Commission.

(2) If such decorative hardwood or simulated hardwood products are condemned by the court, they shall be disposed of, in the discretion of the court, by destruction, by sale, by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such decorative hardwood or simulated hardwood products will not be disposed of until properly marked and advertised as required under the provisions of this Act; or by such charitable disposition as the court may deem proper. If such decorative hardwood or simulated hardwood products are disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States as miscellaneous receipts.

(b) Whenever the Commission has reason to believe that—

(1) any person is violating, or is about to violate, section 3 or 9(b) of this Act; and

(2) it would be to the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act, the Commission may bring suit in the district court of the United States or in the United States Court of Puerto Rico, for the district of Puerto Rico in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

#### GUARANTEE

SEC. 8. (a) No person shall be guilty under section 3 if he establishes a guarantee received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative hardwood or simulated hardwood product guaranteed was manufactured or from whom it was received, that said decorative hardwood or simulated hardwood product is not misbranded or that said decorative hardwood or simulated hardwood product is not falsely advertised under the provisions of this Act. Such guarantee shall be either (1) a separate guarantee specifically designating the decorative hardwood or simulated hardwood product guaranteed, in which case it may be on the invoice or other paper relating to such decorative hardwood or simulated hardwood product; or (2) a continuing guarantee filed with the Commission applicable to any decorative hardwood or simulated hardwood product handled by a guarantor, in such form as the Commission by rules and regulations may prescribe.

(b) It shall be unlawful for any person to furnish with respect to any decorative hardwood or simulated hardwood product, a false guarantee (except a person relying upon a guarantee to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative hardwood or simulated hardwood product guaranteed was manufactured or from whom it was received) with reason to believe the decorative hardwood or simulated hardwood product falsely guaranteed may be introduced, sold, transported, or distributed in commerce, and any person who violates the provisions of this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce, within the meaning of the Federal Trade Commission Act.

#### CRIMINAL PENALTY

SEC. 9. (a) Any person who willfully violates section 3 or 9(b) of this Act shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$5,000, or be imprisoned not more than one year, or both, in the discretion of the court.

(b) Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

## APPLICATION OF EXISTING LAWS

SEC. 10. The provisions of this Act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of Congress.

## SEPARABILITY OF PROVISIONS

SEC. 11. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provisions to any other person or circumstance shall not be affected thereby.

## EFFECTIVE DATE

SEC. 12. This Act shall take effect one year after the date of its enactment.

[H.R. 1949, 87th Cong., 1st sess.]

A BILL To protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Decorative Hardwood or Simulated Hardwood Products Labeling Act".

SEC. 2. As used in this Act—

(a) the term "person" means an individual, partnership, corporation, association, business trust, or any organized group of any of the foregoing;

(b) the term "hardwood" means any timber product originating from deciduous trees which retains its natural growth structure after being converted into veneer and lumber;

(c) the term "simulated hardwood" shall mean any material, including, but not restricted to, wood fiberboard, plastic, metal, gypsum, paper, and film, to which there has been applied (by printing or any other process) an imitation of any hardwood grain, figure, or growth character;

(d) the term "decorative hardwood" shall mean hardwood veneer, plywood, flooring, and lumber, the wood face of which has been varnished, shellacked, lacquered, stained, or otherwise finished to display the natural wood grain, figure or growth character;

(e) the term "decorative hardwood or simulated hardwood products" means any article of furnishing or structure surface covering in which all or part of the exposed surface area is decorative hardwood or simulated hardwood, or both;

(f) the term "exposed surface area", as used in the definition of "decorative hardwood or simulated hardwood products", means any exterior surface which is exposed to view when the product is installed or placed in normal position.

(g) the term "furnishing" as used in the definition of "decorative hardwood or simulated hardwood products" means any article of furniture, or musical instruments, or cabinets, the exposed surface of which is made in whole or in part of decorative hardwood or simulated hardwood, including but not limited to furniture, cabinets for radio, television, phonograph, high fidelity, and for kitchens;

(h) the term "structure surface covering", as used in the definition of "decorative hardwood or simulated hardwood products", means wall paneling, partitions, ceiling paneling, floor covering, doors, and prebuilt and finished ready to install (except for cutting and fitting) cabinets of all kinds, the exposed surface of which is made in whole or in part of decorative hardwood or simulated hardwood;

(i) the term "veneered construction" means that all or part of the exposed surfaces of the article so described are in fact genuine hardwood veneer;

(j) the term "Commission" means the Federal Trade Commission;

(k) the term "Federal Trade Commission Act" means the Act entitled "An Act to create a Federal Trade Commission to define its powers and duties, and for other purposes", approved September 26, 1914, as amended;

(l) the term "commerce" means commerce between any State, or possession of the United States, or Puerto Rico, or the District of Columbia, and any place outside thereof; or between points within the same State, Puerto



Rico, or possession, or the District of Columbia, but through any place outside thereof; or within any possession, or Puerto Rico, or the District of Columbia; and

(m) the term "United States" means the several States, the District of Columbia, Puerto Rico, and possessions of the United States.

#### MISBRANDING AND FALSE ADVERTISING DECLARED UNLAWFUL

SEC. 3. (a) The introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative hardwood or simulated hardwood product which is misbranded or falsely or deceptively advertised, within the meaning of this Act or the rules and regulations prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(b) The sale, advertising, offering for sale, transportation, or distribution, of any decorative hardwood or simulated hardwood product which has been shipped and received in commerce, and which is misbranded or falsely or deceptively advertised, within the meaning of this Act or the rules and regulations prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(c) The introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative hardwood or simulated hardwood product which is falsely or deceptively advertised, within the meaning of this Act or the rules and regulations prescribed under section 6(b), is unlawful and shall be an unfair method of competition, and an unfair and deceptive act or practice, in commerce under the Federal Trade Commission Act.

(d) Except as provided in subsection (e) of this section, it shall be unlawful to remove or mutilate, or cause or participate in the removal or mutilation of, prior to the time any decorative hardwood or simulated hardwood product is sold and delivered to the ultimate consumer, any label required by this Act to be affixed to such decorative hardwood or simulated hardwood product, and any person violating this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(e) Any person introducing, selling, advertising, or offering for sale, in commerce, or processing for commerce, a decorative hardwood or simulated hardwood product, or any person selling, advertising, offering for sale, or processing a decorative hardwood or simulated hardwood product which has been shipped and received in commerce, may substitute for the label affixed to such product pursuant to section 4 of this Act, a label conforming to the requirements of such section. Any person substituting a label shall keep such records as will show the information set forth on the label that he removed and the name or names of the person or persons from whom such decorative hardwood or simulated hardwood product was received, and shall preserve such records for at least three years. Neglect or refusal to maintain and preserve such records is unlawful, and any person who shall fail to maintain and preserve such records shall forfeit to the United States the sum of \$100 for each day of such failure, which shall accrue to the United States and be recoverable by a civil action. Any person substituting a label who shall fail to keep and preserve such records, or who shall by such substitution misbrand a decorative hardwood or simulated hardwood product, shall be guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce under the Federal Trade Commission Act.

(f) Subsections (a), (b), and (c) of this section shall not apply to any common carrier, contract carrier, or freight forwarder in respect of a decorative hardwood or simulated hardwood product shipped, transported, or delivered for shipment in commerce in the ordinary course of business.

#### MISBRANDING DECORATIVE HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

SEC. 4. For the purposes of this Act, a decorative hardwood or simulated hardwood product shall be considered to be misbranded—

(1) if it is falsely or deceptively labeled or otherwise falsely or deceptively identified, or if the label contains any form of misrepresentation or decep-



tion, directly or by implication, with respect to such decorative hardwood or simulated hardwood product;

(2) if there is not affixed to each decorative hardwood or simulated hardwood product (flooring may be labeled by the package, or bundle) a label showing in words and figures plainly legible the labeling information required by this law.

(a) Any decorative hardwood product must be labeled either by the correct common name (excepting trade names and trademarks) of the hardwood actually used for the exposed surface area of the decorative hardwood product or by the words "genuine hardwood", and any veneered exposed surfaces shall be clearly indicated by the additional word "veneers" or "plywood". In addition, if other hardwood species names are also used to describe color, the imitated species name must be immediately preceded by the word "simulated"; as for example: a table with walnut veneered top and other species legs would be labeled either "walnut veneers (or plywood) and other genuine hardwood solids", "walnut veneers (or plywood) and (name of species) solids", or "walnut veneered (or plywood) top and simulated walnut solids", or simply "genuine hardwood veneered (or plywood) construction".

(b) Trade names, or trademarks, may be used on decorative hardwood products where such names and marks do not incorporate a common hardwood name or a derivative thereof and provided such trade name or mark is registered with the Federal Trade Commission together with the botanical name of the decorative hardwood on which such name or mark is to be used exclusively.

(c) Any material, including wood, fiberboard, plastic, metal, gypsum, paper, and film, when there is applied thereto a printed or engraved surface to simulate the appearance of any hardwood grain, figure, or growth character shall be clearly named on the label (trade names not sufficient) and adequately described and the simulated hardwood graining shall be specifically disclosed; as for example: "fiberboard, simulated walnut grain", or "plastic, simulated maple grain", or "elm veneered (or plywood) construction, simulated teak grain", or "hardwood veneered (or plywood) construction, simulated teak grain".

#### FALSE ADVERTISING OF DECORATIVE HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

SEC. 5. For the purposes of this Act, a decorative hardwood or simulated hardwood product shall be considered to be falsely or deceptively advertised if any advertisement, representation, public announcement, or notice which is intended to aid, promote, or assist directly or indirectly in the sale or offering for sale of such decorative hardwood or simulated hardwood product uses the name of any hardwood species, in describing the exposed surfaces of such product, when, in fact, such surfaces are not made of that hardwood species, unless such species name be immediately preceded by the word "simulated" in type of equal size and legibility.

#### ENFORCEMENT OF THE ACT

SEC. 6. (a) (1) Except as otherwise specifically provided in this Act, sections 3 and 9(b) of this Act shall be enforced by the Federal Trade Commission under rules, regulations, and procedure provided for in the Federal Trade Commission Act.

(2) The Commission is authorized and directed to prevent any person from violating the provisions of sections 3 and 9(b) of this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act; and any such person violating any provision of section 3 or 9(b) of this Act shall be subject to the penalties and entitled to the privileges and immunities provided in said Federal Trade Commission Act as though the applicable terms and provisions of the said Federal Trade Commission Act were incorporated into and made a part of this Act.

(b) The Commission is authorized and directed to prescribe rules and regulations governing the manner and form of disclosing information required by this Act, and such further rules and regulations as may be necessary and proper for purposes of administration and enforcement of this Act. The Commission is granted authority to exclude from the provisions of this legislation any decorative hardwood or simulated hardwood products, disclosure concerning which is not necessary for the protection of the ultimate consumer.



(c) The Commission is authorized (1) to cause inspections, analyses, tests, and examinations to be made of any decorative hardwood or simulated hardwood product subject to this Act; and (2) to cooperate, on matters related to the purposes of this Act, with any department or agency of the Government; with any State, Puerto Rico, or possession, or with the District of Columbia; or with any department, agency, or political subdivision thereof; or with any person.

(d) (1) Every manufacturer or dealer in decorative hardwood or simulated hardwood products shall maintain proper records showing the information required by this Act with respect to all decorative hardwood or simulated hardwood products handled by him, and shall preserve such records for at least three years.

(2) The neglect or refusal to maintain and preserve such records is unlawful, and any such manufacturer or dealer who neglects or refuses to maintain and preserve such records shall forfeit to the United States the sum of \$100 for each day of such failure which shall accrue to the United States and be recoverable by a civil action.

#### CONDEMNATION AND INJUNCTION PROCEEDINGS

SEC. 7. (a) (1) Any decorative hardwood or simulated hardwood product shall be liable to be proceeded against in the district court of the United States for the district in which found, and to be seized for confiscation by process of libel for condemnation, if the Commission has reasonable cause to believe such decorative hardwood or simulated hardwood product is being manufactured or held for shipment or shipped, or held for sale or exchange after shipment, in commerce, in violation of the provisions of this Act, and if after notice from the Commission the provisions of this Act with respect to such decorative hardwood or simulated hardwood product are not shown to be complied with. Proceedings in such libel cases shall conform as nearly as may be to suits in rem in admiralty, and may be brought by the Commission.

(2) If such decorative hardwood or simulated hardwood products are condemned by the court, they shall be disposed of, in the discretion of the court, by destruction, by sale, by delivery to the owner or claimant thereof upon payment of legal costs and charges and upon execution of good and sufficient bond to the effect that such decorative hardwood or simulated hardwood products will not be disposed of until properly marked and advertised as required under the provisions of this Act; or by such charitable disposition as the court may deem proper. If such decorative hardwood or simulated hardwood products are disposed of by sale, the proceeds, less legal costs and charges, shall be paid into the Treasury of the United States as miscellaneous receipts.

(b) Whenever the Commission has reason to believe that—

(1) any person is violating, or is about to violate, section 3 or 9(b) of this Act; and

(2) It would be to the public interest to enjoin such violation until complaint is issued by the Commission under the Federal Trade Commission Act and such complaint dismissed by the Commission or set aside by the court on review, or until order to cease and desist made thereon by the Commission has become final within the meaning of the Federal Trade Commission Act, the Commission may bring suit in the district court of the United States or in the United States Court of Puerto Rico, for the district of Puerto Rico in which such person resides or transacts business, to enjoin such violation, and upon proper showing a temporary injunction or restraining order shall be granted without bond.

#### GUARANTEE

SEC. 8. (a) No person shall be guilty under section 3 if he establishes a guarantee received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative hardwood or simulated hardwood product guaranteed was manufactured or from whom it was received, that said decorative hardwood or simulated hardwood product is not misbranded or that said decorative hardwood or simulated hardwood product is not falsely advertised under the provisions of this Act. Such guarantee shall be either (1) a separate guarantee specifically designating the decorative hardwood or simulated hardwood product guaranteed, in which case it may be on the invoice or other paper relating to such decorative hardwood or simulated hardwood product; or (2) a continuing guarantee filed with the Commission applicable to any decorative hardwood or simulated hardwood product handled

by a guarantor, in such form as the Commission by rules and regulations may prescribe.

(b) It shall be unlawful for any person to furnish with respect to any decorative hardwood or simulated hardwood product, a false guarantee (except a person relying upon a guarantee to the same effect received in good faith signed by and containing the name and address of the person residing in the United States by whom the decorative hardwood or simulated hardwood product guaranteed was manufactured or from whom it was received) with reason to believe the decorative hardwood or simulated hardwood product falsely guaranteed may be introduced, sold, transported, or distributed in commerce, and any person who violates the provisions of this subsection is guilty of an unfair method of competition, and an unfair or deceptive act or practice, in commerce, within the meaning of the Federal Trade Commission Act.

#### CRIMINAL PENALTY

SEC. 9. (a) Any person who willfully violates section 3 or 9(b) of this Act shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$5,000, or be imprisoned not more than one year, or both, in the discretion of the court.

(b) Whenever the Commission has reason to believe any person is guilty of a misdemeanor under this section, it shall certify all pertinent facts to the Attorney General, whose duty it shall be to cause appropriate proceedings to be brought for the enforcement of the provisions of this section against such person.

#### APPLICATION OF EXISTING PROVISIONS

SEC. 10. The provisions of this Act shall be held to be in addition to, and not in substitution for or limitation of, the provisions of any other Act of Congress.

#### SEPARABILITY OF PROVISIONS

SEC. 11. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

#### EFFECTIVE DATE

SEC. 12. This Act shall take effect one year after the date of its enactment.

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EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D.C., August 12, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,*  
*House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request for the views of the Bureau of the Budget on H.R. 1141, a bill to protect consumers and others against misbranding and false advertising of decorative hardwoods or simulated hardwood products.

The Federal Trade Commission has submitted a report to the committee in which a number of objections are raised to enactment of this bill in its present form. The Bureau of the Budget believes that the defects set out by the Commission would detract significantly from the measure's efficacy as labeling legislation and concurs with the Commission's report.

Sincerely yours,

PHILLIP S. HUGHES,  
*Assistant Director for Legislative Reference.*

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FEDERAL TRADE COMMISSION,  
Washington, August 9, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,*  
*House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for comment on H.R. 1141, 87th Congress, 1st session, a bill to protect consumers and others



against misbranding and false advertising of decorative hardwood or simulated hardwood products. It provides that the act may be cited as the "Decorative Hardwood or Simulated Hardwood Products Labeling Act."

In general outline, it follows the Textile, Fur, and Wool Products Labeling Acts which the Commission administers. Although conforming to the approach followed in these acts, H.R. 1141 contains substantial differences from the standpoint of affording appropriate disclosure of content of decorative wood products for purposes of truthfully informing the public and protecting consumers, as well as fair competition, from misunderstanding, confusion, and deception.

The Commission has had considerable experience in the matter of deception of the public through lack of proper disclosure of wood or purported wood products in items of household furniture, cabinets, paneling, and the like. In view of the great development of the art of finishing wood and imitation wood products, it has become almost impossible for the members of the general consuming public to know from observation what kind of wood or material is used in the product or to be able to distinguish between wood and purported wood materials. In such circumstances labeling to disclose truthfully the true content becomes highly important. Without such, the door appears to be left wide open for customers to be misled or deceived and competitive business to be seriously burdened.

The Commission is sympathetic to labeling legislation, in needed situations, which requires disclosure of the essential truth about the composition of the article, in order that the public may be correctly informed when making purchases and may be shielded from misleading information and deceptive appearances.

Our examination of the text of H.R. 1141, however, reveals various points of serious questions which we feel need to be resolved in order to make the measure effective as labeling legislation. These points are indicated below.

#### (1) ONLY PARTIAL COVERAGE PROVIDED IN THE BILL

By its limitation to hardwoods and their imitations, the bill leaves uncovered the entire class of softwoods, including many which are used in decorative wood products. Softwoods include a large number in common use, such as cypress, yew, redwood, cedar, hemlock, fir, ponderosa, spruce, and others. According to Department of Agriculture publication No. 217, January 1936 (p. 3) there are "810 species of native trees in the United States." These include scores which fall into the botanical class of softwoods.

Excluding of softwood products, as in this bill, presents a serious gap. In our opinion, it should be amended to apply to both classes of woods, namely to decorative wood and simulated wood products. Consumer deception may be quite as fraudulent or unfair with respect to so-called softwood products as in the case of hardwoods. To require by law the labeling of one and not the other is likely to be highly confusing in retail outlets, particularly where articles such as furniture, cabinets, etc. are intermingled in display to prospective purchasers.

It may also be said that unless so amended enforcement would be rendered more costly to the Government by reason of the necessity of differentiating between one product and another, depending upon whether the basic wood is a hardwood or a softwood. Deception of the public is equally objectionable irrespective of whether the product is a hardwood or a softwood.

Under the bill expert witnesses would undoubtedly have to be marshaled in order to prove that the alleged unlabeled or mislabeled product was in fact from a particular class of trees known as hardwoods. Production of scientific evidence on the point may be costly and time consuming, with little or no bearing on the question of public deception.

#### (2) OPTIONAL LABELING DESTROYS VALUE OF MEASURE

It is provided in section 4, paragraph (b) of the bill, that the product must be labeled "either by the correct common name" of the hardwood actually used for the "exposed surface area or by the words 'genuine hardwood' \*\*\*." [Emphasis supplied.] Thus, those required to label will be accorded the option of either naming the hardwood used in the product or simply marking it "genuine hardwood." The requirement to reveal the name of the wood constituting the exposed surface, which is the heart of the measure, appears completely nullified by this provision.

Hardwoods produced in this country alone are reported as totaling 596 species.<sup>1</sup> In addition, many are imported from foreign countries. Each wood has its own properties, qualities, and merit, and as between the different species the qualities, merits and usefulness differ materially. Choosing the alternative marking, however, all one need to do is to mark it with the promotional phrase "genuine hardwood." The mere designation of the finished product as "genuine hardwood," authorized as an alternative mark, can be of little or no value for purposes of informing members of the public what wood they are actually getting for their money. It does not require any law to permit one to use the phrase on his hardwood products. Its use affords no substantial advantage from the standpoint of consumer labeling.

We strongly recommend that this optional labeling provision be eliminated from the bill.

### (3) FAILURE TO REQUIRE INVOICE DISCLOSURE WEAKENS BILL

Unlike previous bills for wood labeling, H.R. 1141 omits entirely any requirement for invoice disclosure of the true name of the wood used in the product. This tends to weaken the measure and to render administration more difficult. Proper invoice disclosure of the wood in question affords a record to guide enforcement authorities with a means of checking correctness of labels and of tracing the source back to the manufacturer. Switching of labels is minimized. Properly marked invoices facilitates replacing lost labels. Honest merchants are provided through invoice disclosure with means whereby they may protect themselves respecting questioned labels or advertisements.

Purchase of cabinets and articles of furniture for testing purposes is expensive. Testing usually mars the product or destroys its salability. A requirement for proper disclosure in invoices of the wood content would obviate much of such testing work; consequently considerable expense would be avoided.

We feel that labeling legislation for adequate and effective disclosure of the true name of the wood should contain invoice coverage, as is required in the Fur Products Labeling Act for fur products (secs. 3 and 4 of that act).

### (4) WOOD PRODUCTS NAME GUIDE NEEDED

It is deemed highly important for labeling purposes that the correct name be used, and that manufacturers, distributors, and retailers have a reliable guide to follow. Woods used in decorative products are of great variety, and sometimes there is substantial doubt as to the proper name to be used. Existence of an official name guide affords clarification and assurance of the proper name to be applied. We feel consideration should be given to the desirability of including provisions for an official name guide similar in principle to that contained in the Fur Products Labeling Act of 1951 (sec. 7).

### (5) OTHER CHANGES RECOMMENDED

(a) Section 2(b) defines hardwood "as any timber product originating from deciduous trees *which retains its natural growth structure after being converted into veneer and lumber.*" [Italic supplied.]

The underscored clause is unnecessary to the definition of hardwood. We recommend it be eliminated because it needlessly would present difficulties in enforcement. It would require proof not only that the product is hardwood, but also that the finished wood in its prefabricated state, when the veneer or lumber was originally cut, did thereafter retain its natural growth structure. Highly technical questions could be raised on which expert testimony may be required to establish not only that the product is a "hardwood," but that such hardwood is of a type that has retained its natural growth structure in the finished state.

(b) Again, subsection (d) of section 2 would appear to require that the hardwood be finished to display the natural wood grain, figure, or growth character. This is unnecessarily restrictive. One hardwood may be finished not to display its own grain or figure, but the grain or figure of another wood, thereby being excluded from the scope of the definition. For example, gumwood, a hardwood, may and frequently is finished to display the grain and figure of walnut, mahogany, or some hardwood other than gum. The phrase "to display the natural

<sup>1</sup> Department of Agriculture Bulletin No. 217.



wood grain, figure, or growth character," unless eliminated, would undoubtedly create a serious loophole in the law.

(c) With respect to veneered products, it appears that consumers are likely to be misled and deceived if the labeling fails to disclose the kind of wood which is under the top layer of veneer and upon which the durability and strength depend. Merely to call the product veneer of a certain hardwood would disclose only the  $\frac{1}{16}$ -inch or  $\frac{1}{32}$ -inch top layer. Ninety percent or more of an entirely different wood of which the piece is composed would be concealed and undisclosed, no matter how inferior such wood may be. While certain veneered products are laminated to high-quality plies, in many instances very cheap or low-quality plies are used and concealed by the thin top layer or veneer. Unless the hidden plies are disclosed, the purchaser has no means of knowing what he is getting.

(d) In section 4(b) illustrations of required markings are given, including in lines 9 and 10 an alternative, reading: "or simply 'genuine hardwood veneered (or plywood) construction.'" It is provided that this permissible alternative marking shall apply to an article containing "simulated walnut solids." The alternative marking would therefore be untrue. If allowed to remain in the legislation the effect would be to have a false type of marking authorized by law. Its excision is recommended.

(e) Other instances of needed change may be found upon careful study to assure completeness of the measure and harmonious interrelationship between its several sections. We shall be glad upon request to have experienced members of our staff work with your representatives to perfect the proposed legislation before it leaves the committee.

The Bureau of the Budget advises that there is no objection to the submission of this report from the standpoint of the administration's program.

By direction of the Commission.

ROBERT T. SECREST, *Acting Chairman.*

DEPARTMENT OF AGRICULTURE,  
Washington, D.C., June 26, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives.*

DEAR CONGRESSMAN HARRIS: This is in reply to your letter of February 9, 1961, requesting a report on H.R. 1141 a bill, "To protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products."

This Department makes no recommendation regarding enactment because the bill affects primarily the functions of the Federal Trade Commission.

The bill would prohibit misbranding or false advertising of decorative hardwood or simulated hardwood products for sale or shipment in commerce. Enforcement of the provisions would be carried out under rules, regulations and procedures provided for in the Federal Trade Commission Act. Penalties for noncompliance are specified in the bill.

The bill is designed chiefly to insure the customer against falsifications regarding the surface appearance of the product. In general, we believe this to be a desirable objective. However, other properties than surface appearance often are of greater importance in determining the suitability of a product for a specific use. For example, strength, hardness, dimensional stability and weight will vary considerably, depending upon the material which is covered by the surface material.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,  
Washington, D.C. August 14, 1961.

HON. OREN HARRIS,  
*Chairman, Committee on Interstate and Foreign Commerce,  
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in further reply to your request for the views of this Department with respect to H.R. 1141, a bill "To protect consumers

and others against misbranding and false advertising of decorative hardwood or simulated hardwood products."

This bill is a revision of earlier bills, introduced in the 86th Congress, to require the branding, labeling, and advertising of decorative hardwood or imitation hardwood products in accordance with their true composition. Products covered would be deemed misbranded, or falsely or deceptively advertised under the Federal Trade Commission Act if placed in commerce not in conformance with the requirements of the bill.

The Department of Commerce recommends against enactment of H.R. 1141.

Introduction of this proposed legislation grew out of the development of various new processes which give the surface appearance of hardwood to a number of nonhardwood materials. It is believed that such finishes may deceive or misrepresent to the consumer that the wood of which the article is made is, in fact, all hardwood.

Manufacturers of quality goods may truthfully extoll their products and thus distinguish competitive products. Deceptive labeling of goods in commerce is presently subject to Federal action. We do not believe that any benefit to consumers which might result from enactment of this legislation would warrant the detailed regulation of furniture manufacturers which enactment of the measure would entail.

Under the circumstances, there would appear to be no need for special legislation to deal with this problem.

The Bureau of the Budget advises that there would be no objection to the transmission of this report to the Congress from the standpoint of the administration's program.

Sincerely yours,

ROBERT E. GILES.

Mr. MACK. Our first witness this morning is our colleague, the gentleman from Indiana, the Honorable William G. Bray.

#### STATEMENT OF HON. WILLIAM G. BRAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. BRAY. Mr. Chairman, I am appreciative of this opportunity to appear before you again and speak in behalf of legislation to require truthful labeling and advertising of hardwood products.

I sponsored legislation for this purpose in the 85th Congress and in the 86th Congress. I am glad to report that there has been increasing interest expressed in it, and these hearings before this group at this time give us an adequate opportunity to report and enact this legislation during the 87th Congress.

As I have stated before, it is the purpose of this legislation to provide needed protection to the consumer so that he will not be deceived as to the nature of wood or wood-appearing products which he purchases. Today we can buy products with the appearance of wood which may be only a printed design on fiberboard, metal or plastic. We have no way of knowing the true composition of the products and in many instances the merchant himself does not know.

Now there are many simulated wood products which are very good products. They serve a variety of purposes and in some instances the consumer may prefer to have a metal table or cabinet to one made of wood.

I do not propose that his choice in any way be limited or that simulated wood products be prohibited; I merely propose that his choice be made meaningful by advising him of what he is, in fact, choosing.

A number of techniques have been perfected to give the appearance of fine woods to other wood or nonwood surfaces. Simulated, machine-stamped veneers resembling genuine grain finishes are being applied



to solid lumber, hardboard, metal, and plastics, and even to cheaper veneers, and sold as the genuine articles. The deception is not noticeable to the average buyer.

Why, you may ask, are we so concerned about a deception which is apparently so good that it cannot be easily detected? The appearance may be very similar but the underlying quality is not. I have used the example before of a piece of glass with many facets which may catch the light like a diamond and be indistinguishable at a distance, but if it splinters from a fall to the ground, we know it lacks the durability and strength which is the diamond's greatness. And we would not be very happy if we had paid a diamond's price for a piece of glass.

If the metal or wood surface that has been printed and finished to resemble a fine hardwood is scratched or damaged, the grain appearance that was there is destroyed and cannot be restored. To many consumers this has been the first knowledge that the product was not the real McCoy.

That there is a need for consumer protection in such instances has been recognized by the Congress in the enactment of the Fur Products Labeling Act, the Wool Act, and the Textile Fiber Products Identification Act. Such legislation was in mind when this bill was drafted. On the basis of these laws, consumers have been protected by energetic enforcement.

Other witnesses from this industry will relate to you instances of deception in the furniture and decorative hardwood field. Enactment of this legislation will do much to restore public confidence in this industry and will serve indirectly to raise ethical practices in related areas.

My attention to this subject was directed by some of the hardwood producers of my district. Johnson County, Ind., is the home of some of the Nation's finest veneer manufacturers. Indiana, and our neighbor, Louisville, Ky., together produce more than one-half of all of the face veneers manufactured in the United States. This industry asks no protection from competition; it is confident that the natural beauty and durable quality of fine hardwoods will continue to sell their products. It will, however, be encouraged by the enactment of legislation to require the producers of imitations to label them as such.

Furthermore, the consumers of America, of which a goodly number reside in my district, will be given adequate information on which to base their selection of products if this legislation is enacted. It is in their behalf that I request the earnest consideration of this subcommittee to the testimony and statements which are being presented to you and which will, I hope, result in favorable action on this bill.

I do want to point out that there is an error in the printing of this bill. The error does not occur in the same bill introduced by Mr. Moulder. On page 11, section 7, the last line in section 7, the last sentence has been inadvertently omitted in the printing and the words have been left out, "cause to believe that such simulated hardwood." Anyway the way it is printed in the other bill is correct. It is merely a misprinting and they just left out one sentence. If you add the words after "reasonable" after the fifth line in section 7, and just add "cause to believe that such simulated" and then they have erroneously

reprinted the section 7(a)(1), reprinted that. It is just two printing errors that cause this error.

That is all of my statement.

Mr. MACK. Where is the first error?

Mr. BRAY. The first error is on page 11.

Mr. HEMPHILL. Is that H.R. 1949 or 1141?

Mr. BRAY. H.R. 1141 is in error. You go down page 11 and then "condemnation and injunctive proceedings," section 7(a)(1), and then at the end of the fifth line add "cause to believe that such simulated" and then omit section 7(a)(1) "Any decorative"—that has been, you see, reprinted there instead of the correct printing. I have made that change. It is purely an error in printing.

Mr. MACK. Does that complete your statement this morning?

Mr. BRAY. It does.

Mr. MACK. Any questions?

Mr. HEMPHILL. Just one question. We had some hearings on this in the 86th Congress. At that time the General Counsel for the Federal Trade Commission made some statements about the problems which would arise if the legislation were enacted in the form in which it was presented at that time. Now in your bill, have you sought to correct these particular objections and where have you sought to correct them, if you have?

Mr. BRAY. Yes, we have. We have made these corrections. I conferred with the counsel who later became Chairman of the FTC—I believe the first time he was introduced he was counsel and later he was Chairman—and I went into some of the problems which I thought would arise.

Mr. HEMPHILL. I think he is Chairman now.

Mr. BRAY. No. At the time we discussed it, some of the problems he thought might arise he decided would not. We did make some changes in the legislation. The same way with the Pure Food and Drug Act. When that came out there had to be many changes made even after the law was enacted because it is difficult to be fair to the industry and not place undue hardships on them. We are well aware that this probably takes some time to work out. I believe we do have it worked out. The first legislation drafted on this subject followed very closely the Fur Labeling Act. Well, when you got to studying it and submitted the questions, you saw some matters in there should not be included, and other matters should be added. I do not claim that this is perfect in all ways.

Mr. HEMPHILL. Let me be so rude as to interrupt you and ask you specifically so maybe we can get together. You left out softwood products in this legislation, didn't you?

Mr. BRAY. I believe that that was left out last time because there was no demand that it be put in. The problem does not arise. It could be placed in the legislation but the problem of softwood does not arise at all. The problem would only indirectly arise—I don't believe it would arise at all because you do not imitate a softwood product.

Mr. HEMPHILL. That was the first objection and the second was that there is no requirement in the legislation at that time, as of June 1960, that it be shown that the product was veneer or laminated. Does your bill provide that that be shown?



Mr. BRAY. Yes, in the present bill, but not in the bills submitted in the previous Congresses. Note specifically the definition of "veneer" on page 3, section 2(i), and pages 7 and 8, section 4(b). In fact, veneer makes better furniture in which there is justifiable pride. In fact, the most beautiful piece of woodworking I remember ever seeing is in the great table in the Mormon Temple in Utah and on that table—it is the most beautiful table I have ever seen—is veneer, because sometimes you take the natural lines of wood and place them together it makes a more beautiful product and as I say, there should be no objection at all if there is a requirement that the word "veneer" be included. The industry has no objection to it, as I understand it. The very nature of veneer is that you will cut out exactly what you want and make a more beautiful product. Of course, there might be the question whether in a damp climate veneers might be a problem. But I do not believe it would.

Mr. HEMPHILL. So they will provide that it be listed as imported material? Is imported material included?

Mr. BRAY. If they could make the same product we would have no objection to it's being used, that is whether it is imported or domestic. I have tried to simplify this as much as we could.

Mr. HEMPHILL. We had this testimony from the Federal Trade Commission and I respect their judgment because they are in the business and know far more than I do about this. Now unless something is done to cure the objections that they had, I would have to be opposed to this legislation, and violently opposed, because I am not going to impose on the industry this particular legislation unless I am sure that the Federal Trade Commission can tell me it can be administered, and administered in an inexpensive way, and not going on to industry. The reason I asked the question was trying to clarify in my mind whether or not you people, who are for this particular legislation, discharged the burden of responsibility that I think that the Federal Trade Commission put on it in its testimony in 1960.

Mr. BRAY. I believe that we have. All that is necessary to do is to put a label on that product.

Mr. HEMPHILL. The trouble is that is all that is necessary—that is not all that is necessary.

Mr. BRAY. The question was raised as to the dealer making an error in his advertising or his statements to the customer and inadvertently violating the law. It says here he has the right to advertise it exactly as the label says. We did change it in that regard. He is saved by the law, if he advertises it according to label. If the label is wrong, it is not his problem. And that matter was raised, I think, by the Federal Trade Commission. I was not here when they testified. I later did talk with them.

Mr. HEMPHILL. I believe some of the controversy last time we had hearings was over the fact that we were trying to let the man that manufactured it put the label on it and remove the retailer from any responsibility, which meant that a fellow who bought a piece of goods and wanted to bring a suit about it he would have to go to the fellow several thousand or maybe 500 miles away.

Mr. BRAY. As I see it, and I do not claim to be an expert in this type of law, but this, as I visualize it, from my own knowledge of how it is worked out in other fields where the Federal Government has gone

into the labeling, is that if they found out in my hometown that they had mislabeled a product, the Federal Government could then within the area where it was made, take proper action and restrain the manufacturer from further use of the improper label. Usually an industry is going to try to be honest in the matter. The great overwhelming majority of manufacturers will, and as I stated earlier, we have no objection whatsoever to making any changes that will assist us. I did try to make it as simple as possible and we didn't try to cross any bridges that weren't going to be necessary. I do believe that the public has a right to know what they are buying.

Mr. HEMPHILL. Let me ask you something else. I have a particular interest in this legislation in my area because competition between furniture people is so keen that you can't get away with selling a lot of this stuff.

What demand is there from the consuming public that we should consider here or is this really a moving business for somebody to hurt somebody else and protect himself? I would just like to know for my own self.

Mr. BRAY. You are going to hear, I understand, later from the various consuming public. The same thing would apply in the Fur Labeling Act. There would be no great organized demand except when you found out that certain misrepresentations were being made. I have read some papers as to the great objections to the Pure Food and Drug Act when it was first brought about, how unfair it was, that there was no demand. I don't believe any person today would say that this law was not justified. I will, in all frankness, say that I think in some fields the Federal Government is going quite far in regulation and I have some pretty strong views on that. I do not want the Government to make unfair regulations. I believe in this case that it will rapidly work itself out and it will be the cause of very, very little difficulty. We make considerable furniture in Indiana—not as much as we used to—and I think the people in that area, the same as in North Carolina, are a little more conscious of wood products than they are in a lot of places. I don't think a person in a city where I live would be very much fooled by it, as much as they would some places. The old days of caveat emptor certainly are gone. That doesn't mean that the Government should guide everybody in exactly what they should buy. Frankly there are instances where plastics are better, there are instances where metals are better—I don't doubt that at all—and there should be no penalty placed upon a person that wants entirely plastic or metal or anything else. I do believe he should have a right to know what he is buying. Any changes that could be made by the committee, the committee staff working with the Federal Trade Commission, I would be very happy to meet with them.

Mr. HEMPHILL. You are liable to create a burden that even the proponents don't want.

Mr. BRAY. That is right.

Mr. HEMPHILL. When you do the people get the civil service job and come into our areas and they take over.

Mr. BRAY. I assure you no one is any more apprehensive of that situation than you and I.

Mr. HEMPHILL. I think you and I share that feeling.



Mr. BRAY. I think we do. That is one reason why I want to make this as simple as we can. I believe unquestionably there are changes that should be made in this legislation. I am not claiming perfection. What I would like to do if you are favorably disposed toward something of this kind, is to work with your counsel and someone from the Federal Trade Commission because what we want and all we want, all we have a right to ask for is that the public have a reasonable knowledge of what they are buying.

Mr. HEMPHILL. Thank you, sir. I am sorry I asked you so many questions.

Mr. BRAY. I am happy that you did.

Mr. MACK. Any other questions?

Thank you, Mr. Bray.

Our next witness this morning is the distinguished gentleman from Ohio, the Honorable Frank T. Bow.

**STATEMENT OF HON. FRANK T. BOW, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OHIO**

Mr. Bow. Thank you very much, Mr. Chairman. I am Frank T. Bow, a Member of Congress from the 16th District of Ohio.

It is a departure from my usual custom to appear before a legislative committee, but I feel very strongly regarding H.R. 1141 and H.R. 1949, and wish to express my opposition to the legislation.

This bill purports to protect consumers who purchase furniture, paneling, floor covering, radio and television sets having decorative wood pattern and color finishes. It would do so by giving manufacturers of hardwood veneers the right to label their product as "genuine hardwood" while requiring manufacturers of all other products to label their products as "imitations" or "simulated".

I think it does not protect consumers. I think it is designed to protect the manufacturers of hardwood veneer from competitive products and give them a sales advantage they do not now possess.

One of my constituents who will testify here is Victor R. Marsh, executive vice president of the Marsh Wall Products, Inc., manufacturers of Marlite and related panelings. I have examined this product on many occasions. It gives the appearance of highly polished fine wood, but no purchaser who is shopping for paneling examines a panel of Marlite, feels it and looks at the back of it would think it was natural wood. No attempt is made to deceive or misrepresent. No advantage would accrue from such an attempt for the manufacturer and millions of consumers believe it to be a superior product for paneling, not competitive with wood.

I doubt seriously that consumers are deceived with regard to other products that have an appearance of wood.

Going beyond these practical considerations, I would like to comment on the necessity of legislation with regard to a particular product of this kind.

It seems to me that the Federal Trade Commission already has ample authority in the law to protect consumers from deception or misrepresentation. Further, I believe the Commission has done an excellent job in this regard. There is no showing that the FTC has been unable to control labeling in this area. In short, I find no advantage in the proposal and many disadvantages including the at-

tempt to have Congress confer a competitive advantage on a particular product to the detriment of many others.

That completes my statement, Mr. Chairman.

Mr. MACK. Thank you very much. Any questions?

Mr. HEMPHILL. No questions.

Mr. MACK. Our next witness this morning will be our colleague, a member of the Interstate and Foreign Commerce Committee, Hon. Harold Collier of the great State of Illinois.

**STATEMENT OF HON. HAROLD R. COLLIER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF ILLINOIS**

Mr. COLLIER. Thank you, Mr. Chairman.

Mr. MACK. It is my understanding that you desire to testify on H.R. 8353.

Mr. COLLIER. That is right, sir. First, I want to thank the committee for this opportunity to appear before you and I might say in preface to my remarks that I also appear here in support of H.R. 1949 and H.R. 1141.

I listened to the testimony of the gentleman from Indiana, author of H.R. 1141, and desire to be associated with his remarks. However, today I would like to address my remarks to my own bill, H.R. 8353, which is directed to a specific situation within the framework of this general legislation.

It is a bill which I introduced on July 26, one which would amend the Federal Trade Commission Act to prohibit the use of the term "mahogany" in advertising for the purpose of sale of wood or wood products which simply are not, in fact, mahogany. Perhaps I had better briefly explain just how and why I introduced this bill for the edification of the members of the committee.

About 7 months ago several people in the industry and an officer of the Mahogany Association from my home State of Illinois came to me with a problem which I believe certainly warranted action at some level to rectify an existing practice.

This legislation is not by any means, however, designed to serve the interest of the industry alone but that of the American consumer, who, I believe, is entitled to know just what he or she is buying.

I would like to make it very clear to this committee that I drafted this legislation and, of course, had the legislative counsel's office perfect it for introduction. It was not drawn by any association or group, notwithstanding the fact that the heads of the industry and other such groups strongly support the bill which I have introduced. At the present time the one hardwood which originates in the islands is widely advertised and sold as Philippine mahogany.

However, the fact of the matter is, and no botanical expert will state otherwise, I am sure, that all genuine mahogany is of the Meliaceae family, the so-called Philippine family is—and I again submit that no expert in the field can dispute this—is of the botanical family of dipterocarpaceous.

This being the case, and subject to verification of the botanical definitions and identifications set forth in this statement, I fail to understand why there should be any question as to the propriety of the bill which I introduced and which you have before you today.



After all, gentlemen, I do not think that I am being presumptuous in believing that any member of this committee would condone the practice of permitting a furrier to advertising muskrat as mink or a grocer to represent margarine as butter or vice versa or a jeweler to masquerade a zircon as a diamond in his advertising.

I would like to make it eminently clear at this time that neither this legislation nor any testimony I am presenting in its behalf should be construed in any way by this committee or anyone else as a reflection upon the quality or the high serviceability of the Luam hardwoods which are improperly advertised as "mahogany" or "Philippine mahogany."

It is entirely possible that your wife or mine might prefer a zircon ring to a diamond and I think she is entitled to know what she is buying through its identification. There are so many products on the market of reasonable similar appearance.

Improper identification labeling or advertising simply opens the door to deceptions that are not in the best interest of the industry or the consumer. It will probably come to the attention of the members of this committee during the hearings on this legislation that the Mahogany Association has sought relief through the Federal Trade Commission without success. Since, I presume, the FTC will testify in connection with this legislation, it seems proper that the reasoning behind the position of FTC should be presented at that time rather than by me, although, this facet of the problem may be discussed by other witnesses that will testify.

I should like to point out, however, that there is most certainly a precedent for a favorable ruling in this matter by the FTC. It is one that goes back to 1934 when the Federal Trade Commission accorded this protection to white pine against yellow pine. Again, in 1960, the FTC issued a cease-and-desist order against the nonoak woods sold in the United States as Australian oak or Tasmanian oak; so you see, gentlemen, this legislation simply seeks the same protection for mahogany which has not, up to this time, been provided by the Commission.

In conclusion, let me state I do not profess to be an expert in the field of botany or hardwoods. I have studied this problem which prompted this legislation sufficiently to answer, I am sure, any questions this committee may have after this preliminary testimony on the bill.

I appreciate your courtesy and the indulgence of this committee in hearing my testimony today.

Mr. MACK. Any questions?

Mr. HEMPHILL. If this is an industry which had problems, why, in your opinion, hasn't the industry cleaned its whole house if it needs cleaning?

Mr. COLLIER. Well, principally, Mr. Hemphill, because the industry as such, and I presume we are referring to the mahogany industry, has made an effort through the recognized channel that is open to them to do just that.

Mr. HEMPHILL. What efforts have been made other than to try to get us to pass the legislation?

Mr. COLLIER. Well, they have on numerous occasions appealed to the FTC for a ruling as I set forth in my testimony that would pro-

vide them the same protection as has been afforded the white pine industry against yellow pine and the most recent decision the FTC issued a cease-and-desist order as I pointed out against the nonoak woods sold in the United States as Australian oak.

The precedent is there.

Mr. HEMPHILL. As I understand your testimony, and I am very much interested in it, you say that the FTC in connection with problems of mahogany has not been as strict or as protective as they have been with reference to other woods; is that right?

Mr. COLLIER. That is entirely correct.

Mr. HEMPHILL. So, really what you are saying is that the FTC has the power and has the authority but apparently doesn't have the administrative desire to give you the same protection that they give others; is that right?

Mr. COLLIER. That is substantially correct, although, as I stated in my testimony, I do not propose to prejudice the reasoning of the FTC, for not having taken action in this particular area and I feel sure that in propriety and fairness to them that they should present their justification for their position, something which I might have some reservations about but which I wouldn't want to certainly prejudice it.

Mr. HEMPHILL. If you would be kind enough to furnish me the information, I will be kind enough to ask the questions you want when the FTC comes to testify. Of course, if it is true, I think you should know it and if it is not true, I think you should know it because as a Member of Congress that I respect very highly and if you feel this way it certainly should be investigated.

If you will furnish me the information I will be glad to ask any questions that I can to be of service to the gentleman from Illinois.

Mr. COLLIER. I will be very pleased to do so.

Mr. MACK. Mr. Glenn.

Mr. GLENN. First, let me compliment my colleague on a very fine statement. However, I would like to ask one question and that is this: Your bill refers to the use of the word "mahogany" and the sale of wood generally. Now, what if the mahogany would be used as plywood in the manufacture of furniture, would you also object to the labeling of furniture as mahogany furniture?

Mr. COLLIER. If it were a plywood with a mahogany veneer, then, certainly it would be covered by H.R. 1141 or H.R. 1949 legislation which I have indicated at the beginning of my remarks that I support.

Mr. GLENN. But it would not be covered under your bill H.R. 8358?

Mr. COLLIER. Specifically, it would not be covered except that insofar as the use of the word "mahogany" was concerned. It would require that the veneering, if it were to be a veneer on plywood, would have to be mahogany and not Luaun wood which, in fact, is not mahogany.

Mr. GLENN. That is all. Thank you very much.

Mr. MACK. Mr. Curtin.

Mr. CURTIN. I am not a botanist, so defining mahogany by its botanical term doesn't help me very much. Are there different kinds of mahogany like there are different kinds of other wood, such as pine?

Mr. COLLIER. No, I think, Mr. Curtin, that the botanical definition of mahogany is quite clear and in checking this out with experts



in this field, I have found that all genuine mahogany is as he pointed out the Meliaceae family and that the one wood upon which I have commented or that is known in the trade as Philippine mahogany is not botanically mahogany. It is not in the family of woods that is recognized as mahogany wood.

Mr. CURTIN. Of course, I realize that to describe wood it would have to have a botanical name, but I am curious, as a layman, as to whether there is more than one type of mahogany? Is it just one particular tree that is mahogany, or are there others, like there is yellow pine and white pine?

Mr. COLLIER. There is just this one type of wood recognized as genuine mahogany.

Mr. CURTIN. Does this so-called Philippine mahogany resemble the real mahogany in texture and hardness?

Mr. COLLIER. It most definitely resembles it. The fact that it does undoubtedly is the reason for having adopted the name of Philippine mahogany.

Mr. CURTIN. Does it resemble it more closely than it does any other type of wood?

Mr. COLLIER. I would have to say yes in answer to that question.

Mr. CURTIN. Thank you, Mr. Collier.

Mr. MACK. Mr. Collier, your bill would simply require that Philippine mahogany be labeled as such?

Mr. COLLIER. No; my bill would prohibit or foreclose the use of the word "mahogany" and if I may belabor that point for just a moment, Mr. Chairman, I would certainly think that Luaun wood, which is in reality what we are talking about when we speak of Philippine mahogany, has enough qualities of its own that it could stand on its own two feet, be advertised and sold on that basis so that we would not have what is obviously a deception in the name of the wood.

Now, as a former advertising man, myself, I would certainly think that the cost of some advertising Luaun wood by its proper name, because it has a reasonably romantic name, so to speak, wouldn't certainly destroy the industry but it would simply be a matter of establishing or continuing, shall we say, the precedent of proper labeling of wood in the best interest of the consumer.

Mr. MACK. Then, your bill would prohibit the use of the words "African mahogany"?

Mr. COLLIER. When we get into African mahogany, Mr. Chairman, we are getting into a little different field and, in fact, it is my understanding that African mahogany is botanically a member of the Meliaceae family about which there is no question.

Mr. MACK. So your bill, as I understand it, is just to limit the use of mahogany in the case of Philippine mahogany?

Mr. COLLIER. My bill is to eliminate the use of mahogany when, in fact, a wood is not mahogany, whether it comes from the Philippines, whether it comes from California or Africa.

Mr. MACK. The deception is not in the use of the word "mahogany" alone, is it?

Mr. COLLIER. The deception is in the use of mahogany where the wood is not mahogany.

Mr. MACK. Does not the Federal Trade Commission require the use of the word "Philippine" along with "mahogany" when the people are dealing in the Philippine mahogany?

Mr. COLLIER. Mr. Chairman, they do; but if we were to take a piece of cherry wood and call it Bohemian oak simply by putting the name of a country or geographical area before the identification of the wood, I hardly believe that this would provide the justification for the misbranding of the product.

Mr. MACK. Are there many cases of deception or is this problem general in the industry? There are not individual cases of deception where people bought Philippine mahogany and thought they were buying genuine mahogany?

Mr. COLLIER. That, of course, is a question, Mr. Chairman, that I would not be able to answer since I have no broad file of information as to when and how often this might or might not occur.

Mr. MACK. I have before me a release from the Federal Trade Commission dated February 22, 1957, headed "FTC Takes Action To Prevent Improper Use of the Word 'Mahogany'." It goes on to state that the Federal Trade Commission announced that it would, within the limits of its jurisdiction, take steps to prevent deception in the use of the word "mahogany."

I am wondering if there is still widespread deception in the case of the word "mahogany" or whether if it is labeled as Philippine mahogany when Philippine mahogany is being sold?

Mr. COLLIER. If I may, Mr. Chairman, I certainly wouldn't want this to be construed as a facetious example, but going back to one that I gave previously: If we were to take a muskrat and call it a Chinese mink, it would, in fact, not justify, I do not believe, the identification as mink.

Now, if the Federal Trade Commission were to take action to prevent any abuse of the word "mink" but decided that the mere fact that it said "Chinese mink" when it was muskrat, I am not so sure that this would provide the answer to the problem that exists.

Mr. MACK. Then, so that the record is clear, the proponents of your bill know of no instances where Philippine mahogany is represented as genuine mahogany; is that correct?

Mr. COLLIER. No; that is not correct. I am sure that members of the industry, if they are provided the opportunity to testify in behalf of this legislation, will produce advertisements which will definitely indicate to this committee that the use of "Philippine mahogany" has on many occasions been cut down, the word "Philippine" is omitted and the word "mahogany" used so that we have a situation which is conducive at one level or another to create this situation that you ask whether or not exists.

Mr. MACK. Well, the FTC would have jurisdiction and authority to act in such cases of deception?

Mr. COLLIER. In my opinion, they definitely would.

Mr. MACK. Thank you very much for your testimony.

Mr. COLLIER. I appreciate the committee's time.

Mr. MACK. Without objection, the news release from the FTC will be included in the record.

(The material referred to follows:)

[Federal Trade Commission press release, Feb. 22, 1957]

#### FTC TO TAKE ACTION TO PREVENT IMPROPER USE OF WORD "MAHOGANY"

The Federal Trade Commission announced today it will "to the limits of its jurisdiction" take steps to prevent deception in the use of the word "mahogany."



This action by the Commission was in the form of guiding instructions to its staff for carrying forward the Commission's duties under the law which are directed to the prevention of unfair methods of competition and unfair or deceptive acts or practices in commerce.

The subject had been given extensive administrative review by the Commission with consideration of numerous decisions of the past and hearing of interested parties, including representatives of the industries and trades concerned, as well as botanists, dendrologists, and wood technologists.

The Commission's statement to its staff is as follows:

"The Federal Trade Commission intends to proceed to the limits of its jurisdiction to prevent use of the word 'mahogany' as the name or designation of woods other than genuine mahogany (*Swietenia*) except that the nonmahogany Philippine woods tanguile, red lauan, white lauan, tiaong, almon, mayapis, and bagtikan may be called 'Philippine mahogany,' owing to a usage of long standing, and except that wood of the genus *Khaya* may be called 'African mahogany,' by virtue of its botanical relationship with *Swietenia* and the similarity of their physical properties.

"The genus *Swietenia* of the Meliaceae family of trees, which are native to tropical areas of the Western Hemisphere, is the source of true or genuine mahogany and has long been so recognized. Traditionally and for many generations, such wood, marketed under the name 'mahogany,' has been prized for cabinetmaking, furniture, paneling, trimming of boats and buildings, and for other uses. As the true or genuine product, the wood of the genus *Swietenia* is entitled to be designated by the name 'mahogany' either with or without geographical qualifications.

"The phrase 'Philippine mahogany,' for 25 years or more, has also been used in this country as a trade designation for certain woods of the Philippine Islands, namely, tanguile, red lauan, white lauan, tiaong, almon, mayapis and bagtikan, of the genera *Shorea*, *Parashorea*, or *Pentacme*. They are nonmahogany woods belonging to the Dipterocarpaceae family of trees, unrelated to the Meliaceae tree family or the genus *Swietenia*, from which true mahogany is derived.

"However, within the stated exceptions, the Philippine woods named may continue to be designated by the complete phrase 'Philippine mahogany,' owing to the longstanding usage of that term.

"Likewise, the widely employed designation 'African mahogany' may continue to be used in its complete form for the African wood of the genus *Khaya*, by virtue of the botanical relationship between *Khaya* and *Swietenia* and the similarity of their physical properties."

Mr. MACK. Our next witness this morning is the distinguished gentleman from California, the Honorable James B. Utt.

Mr. Utt, we are delighted to have you with us this morning. We are sorry we found it necessary for you to wait.

#### STATEMENT OF HON. JAMES B. UTT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Utt. Thank you.

I am James B. Utt, Member of Congress, 28th District of California. I appreciate this opportunity of making known my views in opposition to H.R. 1141 and H.R. 1949.

These bills would create a vast new scheme of Federal Government regulation covering millions of sales transactions annually of furniture, wall and ceiling paneling, floor covering, radio and TV sets, musical instruments, and other products with decorative wood pattern and color finishes. I am concerned not only over the cost of such a scheme, but also at the principles underlying the legislation.

These bills are designed to protect the producers of one kind of decorative materials against the inroads of other materials and finishes, and not necessarily the consumers.

This is readily apparent from the one-sided application of the bills in requiring labeling of materials other than fine hardwood veneer and virtually exempting it, in mandatorily applying an "imitation" label to one, and a "genuine hardwoods" label to the other—in appropriating to the latter all hardwood names even when used to describe "finish" and "color," and in being concerned only with hardwoods and not also softwoods.

These are strange features to benefit consumers and will lead to numerous other industries championing legislation favoring their own and requiring labeling of competitive materials.

If these bills that are carefully tailored to fit the supposed competitive needs of one segment of the hardwood industry are profitable, so would be numerous other bills and prospective bills covering tens and even hundreds of other competitive situations.

I believe it unwise to extend the Federal Government's regulatory powers down to local retailing, whether it be of furniture or other products. Local laws and courts have not been shown to be inadequate to cope with the problem here any more than in connection with many other products.

Moreover, the Federal Trade Commission has ample authority under the FTC Act to prevent deception and misrepresentation, and has done a creditable job of administering that law.

Moreover, such bills as these should deal fairly with all products and materials affected. If any are to be labeled, all should be labeled.

If consumers are concerned with the composition of materials in products, they should be told uniformly the composition of all.

I believe it unwise for the Congress to discriminate for or against any materials. It has not done so in the earlier labeling acts and should not now begin such a practice.

That is my statement, Mr. Chairman.

Mr. MACK. Mr. Glenn, any questions?

Mr. GLENN. No questions.

Mr. MACK. Mr. Curtin.

Mr. CURTIN. No questions.

Mr. MACK. Thank you for your testimony.

Our next witness is a former Member of Congress and a former member of this committee, the Honorable John V. Beamer.

#### STATEMENT OF HON. JOHN V. BEAMER, A FORMER REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. BEAMER. Mr. Chairman and committee members, first of all, I want to express a sincere and even a nostalgic greeting to the chairman and members of this committee.

During the years that I served in the Congress I considered my membership on this committee as the greatest privilege afforded me. This subcommittee was the one on which I served.

There are some new members and I say to them they could receive no better assignment in this Congress. Some of my old associates are missing but the memory of their devoted service will always remain with me.

With your permission I have submitted a statement which I hope will be printed in full and for the sake of economy of time I shall condense my statement.



Mr. MACK. Without objection, your entire statement will be included in the record at this point.

(Statement referred to follows:)

STATEMENT OF JOHN V. BEAMER, WABASH, IND.

Mr. Chairman and committee members, first of all I want to express a sincere and even a nostalgic greeting to the chairman and members of this committee. During the years that I served in the Congress, I considered my membership on this committee as the greatest privilege afforded me. This subcommittee was the one on which I served. There are some new members and I say to them that they could receive no better assignment. Some of my old associates are missing but the memory of their devoted service always will remain with me.

This committee has a wide range of legislative jurisdiction and many of the pieces of legislation that it has sponsored and carried to enactment have been recognized as models for other groups to follow. There may be more spectacular and newspaper headline attraction bills coming from other committees, but from the Interstate and Foreign Commerce Committee have come those great pieces of legislation that protect the consumer and the men and women in commerce with that kind of regulation that is the normal and expected function of a protective Federal Government.

It also is a pleasure and a further privilege to assist in the presentation of the wood labeling bills for several reasons. First, may I say, that, in a fashion, I "married into" the woodworking business. My father-in-law for nearly 50 years was president of, and associated with, a factory that manufactured cabinets and occasional furniture. Even though I was in a manufacturing business of my own and not associated with him in his business, I was in contact with that successful operation. Their firm had a reputation for quality merchandise and they were both aware of some of the deceitful practices employed by a few unscrupulous competitors and appreciative of protective governmental standards and regulation. The photographic printing process of simulating genuine hardwoods had not been developed during his business years to the degree that it has attained during the past few years.

In the second place, I personally was in the food manufacturing business and we appreciated the labeling that was required by our Government as a result of the Federal Pure Food, Drug and Cosmetic Act. This was, first of all, a protection for the consumer against deceitful or misleading labels and, also, against the inclusion of ingredients that are harmful to the human body. It, likewise, protected all of us against unfair trade practices in the industry.

Later when I was serving on this committee I learned more about many precedents for labeling acts. The Wool Products Labeling Act was passed before I came to Washington, but the Fur Products Labeling Act was completed and enacted into law during the 82d Congress, my first term. Later came the Textile Fiber Products Labeling Act in which I was able to participate. I also think of the automobile price tags now required on new automobiles sold by dealers as a version of the labeling bills.

During the hearings and consideration of each of these measures it was surprising and even astounding to many of us to discover that the opposition to each of these measures came from a group of manufacturers and even from some retailers. It was apparent that this opposition arose because these comparatively few manufacturers and retailers were engaging in deceitful practices of varying degree. It was gratifying, however, to learn after the fur labeling bill, for instance, was approved, that the restoration of public confidence in the fur industry made a marked improvement in the volume sales of that business. The result of each of these labeling bills is that the industry itself is the most grateful segment to be benefited.

Even though it is very difficult for many of us to understand why there is any opposition from some few members of the industry, we always are conscious of the fact that our first obligation is to the consumer. In fact, it is a safe estimate that there are 250,000 consumers for every furniture or cabinet manufacturer. Practically, and politically, the protection of the many instead of the giving of the free rein to a few, should command our attention. Consumer groups are aware of this condition and, as you will note, many of these groups representing millions of consumers, are supporting this legislation either in personal testimony or with a written statement for the record in these hearings.

I recall—I believe that it was in the hearings last year—that some witness said that this bill would place “a heavy and unreasonable burden on furniture manufacturers.” Anyone who has been in the manufacturing business knows that always there is the need for some tag or label of identification and there would be no extra cost—or, at the most—an infinitesimal additional cost to add the three, four, or five extra words to properly identify the product as required by this legislation.

At this point, may I emphasize that I am one who is opposed to the over-extension of the strong arm of a bureaucratic government. I deplore burdensome bureaucracy and its resultant trend toward a socialistic state. I hasten to add that I believe with equal fervor in a government that protects and helps to regulate any industry that has failed to correct its own errors or to eliminate its own deceptive practices. The day of “caveat emptor” (let the purchaser beware—that is, he buys at his own risk) has passed, and if any section of industry fails either to recognize or correct this condition, then it is a normal and expected function of our Government to make certain that proper corrections are made.

This is another reason that I find it compatible and in keeping to urge the passage of this legislation because several important segments of the wood-working industry are not only supporting but also sponsoring this bill. There are many producers and processors of hardwoods today who are proud of their product and already are using their own labels to tell the consumer that their product is genuine. The same is true of many manufacturers of furniture and cabinets. In a recent trade journal (Furniture Manufacturer, June 1961), an official of a very large furniture concern called upon the trade to “unite to build a strong image of quality and reliability of home furnishings; to dispel consumer fears concerning our products.” These furniture manufacturers could take a valuable lesson from the manufacturers of other products that now are covered by labeling laws. In these instances, consumer confidence has been restored and business has shown yearly improvements.

It must be emphasized that not only the manufacturer and the consumer will be benefited but also that it will be easier for the retail merchant to make sales without bluffing and with confidence. I wonder how many of you have had the experience that I have had. Mrs. Beamer and I recently shopped for some end tables and other occasional pieces. On one occasion we saw some furniture that was labeled “genuine walnut.” A bit later we saw another piece that looked like walnut and I asked the salesman whether or not it was genuine walnut. He honestly replied, “Blamed if I know.” We examined the piece more closely and discovered that it was a printed piece. No wonder it is difficult for a salesman to make a sale under those circumstances and conditions.

As a result of my personal observations from the dual viewpoint of a former manufacturer and a former legislator, it is difficult for me to understand why the furniture manufacturers and retailers would not be the first to ask for the protection that this proposed legislation gives them against unfair trade practices. Furniture and cabinets cannot be consumed inwardly like a bottle of cough medicine or a tonic. It is not applied to the human body like a cosmetic or nail polish or a drug is applied to the skin of an individual. Therefore, it may not have the frightening appeal that there are some danger points in the product. Food, drug, and cosmetic products are completely consumed, but a piece of furniture or a cabinet is a much more expensive investment and, in most cases, must last the lifetime of the purchaser. If we ate furniture, all of you would demand a label. The same deception can and is made in the furniture field that was made long years ago by the hawkers at the fairs who sold “tonics” with spurious claims. The photographic process of printing the simulated grain and color of genuine hardwood on fiberboard, on cheaper woods, on plastics and even on metal is only one of the more flagrant forms of deception. We do not permit this deception in foods, drugs, cosmetics, furs, wool, textiles, flammable fabrics, and so on.

The Federal Trade Commission made a start in a release on December 15, 1960, when it announced that nine major manufacturers of television, radios, and phonographs have signed stipulations agreeing to disclose clearly the true nature of cabinet materials finished to simulate wood. Early this year the FTC also sponsored and held hearings on trade practice rules for the household furniture industry. These are moves to correct some of the apparent evil practices, but do not affect the retailer, who is the main perpetrator of these deceptive practices. Moderate legislation such as these two bills will be less



harsh on the industry than may some other regulations that some branch of Government may find it necessary to impose, and it reaches the retailer.

These reasons are only a few of the reasons that I support and urge the adoption of H.R. 1141 by Congressman Bray of Indiana and H.R. 1949 by Congressman Moulder of Missouri. I have known both of these able and capable Representatives for many years and always have found them to be seriously and conscientiously interested, first of all, in the large crowd of consumers. Their sponsorship of legislation places a worthy stamp upon it.

I urge all of you to act for early consideration. If I can furnish any additional data or information, I trust you will call on me.

Mr. BEAMER. I want to say I personally was in the food manufacturing business before I came to Congress and we appreciated the labeling required by our Government as a result of Federal Food, Drug, and Cosmetic Act.

This was, first of all, a protection for the consumer against deceit from misleading labels and also against inclusion of ingredients that are harmful to the human body.

It, likewise, protected all of us against trade practices that were unfair. And later, when I served on this committee, I learned a great deal about the precedent for the Labeling Act.

The Wood Products Labeling Act was passed before I came to Washington but the Fur Products Labeling Act was completed and enacted into law during the 82d Congress, my first term.

Later came the Textile Fiber Products Labeling Act in which I was able to participate. I also think of others including the automobile price tags now required on new automobiles sold by dealers as a version of the Labeling Act. During the hearings and consideration of each of these measures it was surprising and even astounding to many of us to discover that the opposition to each of these measures came from a group of manufacturers and even from some retailers.

It was apparent that this opposition arose because these comparatively few manufacturers and retailers were engaged in deceitful practices of varying degrees.

It was gratifying, however, to learn after the fur labeling bill, for instance, was approved that the restoration of public confidence in the fur industry made a marked improvement and in the volume of values of that business. The result of each of these labeling bills is that the industry, itself, is the most grateful segment to be benefited.

Practically speaking, it is a safe estimate that there are 250,000 consumers for every furniture or cabinet manufacturer. So, for that reason, the protection of the many instead of the giving of the free rein to a few as you will note should command our attention.

Now, consumer groups are aware of this condition. And from the list of witnesses and those who are submitting statements, you will find that many of these groups representing millions of customers are submitting statements and appearing in person.

I recall—I believe, it was in the hearings last year—that some witness said that this bill would place a heavy and unreasonable burden on furniture manufacturers.

I interpolate and say that I was almost in the furniture manufacturing business because I married into it. My father-in-law was president of a manufacturing concern for many years that made cabinets and furniture, and they wanted high quality products so it isn't foreign to me.

So, I say to you, that anyone who has been in the manufacturing business knows that always there is a need for some tag or label of identification, and there would be no extra cost or, at the most, an infinitesimal additional cost to add the three, four, or five extra words to properly identify the product.

At this point I want to emphasize with many of my colleagues that I am one who is opposed to the overextension of the strong arm of a bureaucratic government. I deplore burdensome bureaucracy and its resultant trend toward a socialistic state.

I hasten to add that I believe with equal fervency in a government that helps to regulate any industry that has failed to correct its own errors or eliminate its own deceptive practices. The day of caveat emptor, or shall we say, let the purchaser be aware, or he buys at his own risk, has passed, or if any industry fails to recognize or correct this condition then it is a normal and expected function of our Government to make certain that proper corrections are made.

This is another reason that I find it compatible and in keeping to urge the passage of this legislation because several important segments of the woodworking industry are not only supporting but also sponsoring this bill.

There are many producers and processors of hardwoods today who are proud of their product and already are using their own labels to tell the consumer that their product is genuine. The same is true of many manufacturers of furniture and cabinets.

In a recent trade journal—Furniture Manufacturer, June 1961—an official of a very large furniture concern called upon the trade to—unite to build a strong image of quality and reliability of home furnishings; to dispel consumer fears concerning our products.

These furniture manufacturers could take a valuable lesson from the manufacturers of other products that now are covered by labeling laws. In these instances, consumer confidence has been restored and business has shown yearly improvements.

It must be emphasized that not only the manufacturer and the consumer will be benefited but also that it will be easier for the retail merchant to make sales without bluffing and with confidence.

I wonder how many of you have had the experience that I have had. Mrs. Beamer and I recently shopped for some end tables and other occasional pieces. On one occasion we saw some furniture that was labeled "genuine walnut." A bit later we saw another piece that looked like walnut and I asked the salesman whether or not it was genuine walnut. He honestly replied, "Blamed if I know." We examined the piece more closely and discovered that it was a printed piece. No wonder it is difficult for a salesman to make a sale under those circumstances and conditions.

As a result of my personal observations from the dual viewpoint of a former manufacturer and a former legislator, it is difficult for me to understand why the furniture manufacturers and retailers would not be the first to ask for the protection that this proposed legislation gives them against unfair trade practices.

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Food, drug, and cosmetic products are completely consumed, but a piece of furniture or a cabinet is a much more expensive investment and, in most cases, must last the lifetime of the purchaser. If we ate furniture, and I say this facetiously, all of you would demand a label. The same deception can and is made in the furniture field that was made long years ago by the hawkers at the fairs who sold tonics with spurious claims.

The photographic process of printing the simulated grain and color of genuine hardwood on fiberboard, on cheaper woods, on plastics and even on metal is only one of the more flagrant forms of deception. We do not permit this deception in foods, drugs, cosmetics, furs, wool, textiles, flammable fabrics, and so on.

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These are moves to correct some of the apparent evil practices, but do not affect the retailer, who is the main perpetrator of these deceptive practices. For this reason, I say that moderate legislation such as these two bills, H.R. 1141 and H.R. 1149, will be less harsh on the industry than may some other regulations that some branch of Government may find it necessary to impose, and it reaches the retailer.

These reasons are only a few of the reasons that I support and urge the adoption of H.R. 1141 by Congressman Bray of Indiana and H.R. 1149 by Congressman Moulder of Missouri. I have known both of these able and capable Representatives for many years and always have found them to be seriously and conscientiously interested, first of all, in the large crowd of consumers. Their sponsorship of legislation places a worthy stamp upon it.

I urge all of you to act for early consideration. If I can furnish any additional data or information, I trust you will call on me.

Thank you.

Mr. MACK. Mr. Hemphill.

Mr. HEMPHILL. I would direct your attention to page 17 of hearings of June 1960. Do you have a copy there?

Mr. BEAMER. Yes.

Mr. HEMPHILL. That is the testimony of Mr. Kintner and others from the Federal Trade Commission of that day, and it lists, among other things, three or four points that are objectionable to the Federal Trade Commission.

What effort has been made to cure those objections in the legislation which you propose?

Mr. BEAMER. Quite a few of them have been made. However, we must recognize, too, that we want to simplify and make the measures palatable to the entire industry. But I would just say, specifically, the word "veneer." I think you asked a question from a previous witness.

It has been defined in this bill and I do not believe it was defined in the previous bill. In other words, the definition of veneer products was given and the word "imitation" was changed to "simulated."

Mr. HEMPHILL. Let's get down to facts.

Mr. BEAMER. One of the points he mentioned was veneer.

Mr. HEMPHILL. The top of page 70, the witness said first the bill is limited to hardwood imitation. It, therefore, leaves uncovered the so-called softwoods which are used extensively in decorating wood products.

Now, are softwoods included in this legislation?

Mr. BEAMER. Softwoods are not included and may I explain the reason. Softwoods are seldom, if ever, and I would almost say never, imitated. So the softwood industry would have no objection as far as I understand. I am not completely informed whether or not they would object.

In fact, I am certain the hardwood industry would have no objection to having the softwood included but there is no deception because it is a less expensive product than the hardwood.

Mr. HEMPHILL. On the third paragraph on page 70, the first sentence:

No disclosure is required by this bill to show the \* \* \*. The article may be legal with the name of the wood on the top, such as genuine hardwood, even though the hardwood is just on the surface.

Have you cured that?

Mr. BEAMER. On page 3 of 1141, you will find on line 15, section I, the term "veneer construction" is given a definition for the first time.

It means that all of the exposed surface of the parts as so described are, in fact, genuine hardwood and veneer. In other words, exposed surface is the only thing that is concerned in the legislation and I think this would satisfy the Federal Trade Commission in its present report. I have not seen their present report but I understand this satisfied them in that respect.

Mr. HEMPHILL. How many different kinds of hardwood are there?

Mr. BEAMER. Generally speaking—I couldn't tell you—there are quite a large number if you want to go into the complete category. I am not a scientist or hardwood expert but there are half a dozen well-known ones: walnut, cherry, oak, mahogany, and maple; and some of these hardwood people know more about it.

Mr. HEMPHILL. The Department of Agriculture says there are 695. Do you disagree with that?

Mr. BEAMER. I presume there could be several hundred but they are not in general use in furniture manufacturing. I think you can nearly count on the fingers on your two hands the number of woods in major use.

Mr. HEMPHILL. Has it been provided in this legislation for a hardwood guide or something of that kind?

Mr. BEAMER. There was a proposal, I believe, in one of the earlier bills.

Mr. HEMPHILL. I am talking about this specific legislation.

Mr. BEAMER. There is no specification for all of the species.

Mr. HEMPHILL. Would you be opposed to such a guide?

Mr. BEAMER. I would hesitate to recommend it.

Mr. HEMPHILL. Sir?

Mr. BEAMER. I would hesitate to recommend it.



Mr. HEMPHILL. I don't want to force something you don't want to testify about but I would like to know why?

Mr. BEAMER. If I could give my personal opinion, I believe the Federal Trade Commission could regulate and enforce the requirement of this legislation more simply without the special requirements of species identification, merely stating it is hardwood or imitation hardwood or simulated hardwood as the case might be.

It is simplifying the measure, shall we say, for the enforcement of it.

Mr. HEMPHILL. When we speak of the FTC, it brings up another question in which I believe they were of the opinion and I don't know what their position is today—I have not had a chance to finish reading this report—that there should be some invoice disclosure. Do you propose that?

Mr. BEAMER. This bill does not include the invoice proposal. The fact of the matter is that the question was raised whether it was of any great value. Now, it is true in some of the other labeling bills the invoice provision is included.

In this instance, as long as the label is on the piece of furniture of the cabinet that is identification considered quite sufficient to protect the consumer. This is a consumer bill, really. And the consumer never sees the invoice. I say never—seldom, at least—that is, invoices are between the manufacturer and the retailer or the distributor.

Mr. HEMPHILL. Do you provide for labeling the products as to imported decorated hardwood?

Mr. BEAMER. Imported?

Mr. HEMPHILL. Yes.

Mr. BEAMER. If I read the bill correctly it merely states whether it should be hardwood, genuine or simulated. I don't want to state too specifically, but I don't believe it makes any reference to imported material.

Mr. HEMPHILL. Suppose you had a product that was made of metal and a simulated wood grain finish. Would you have to label the metal and also the wood and say it is simulated?

Mr. BEAMER. If it is simulated it would have to be labeled "simulated," whatever the grain that it simulated. If it is simulated walnut it would say "simulated walnut" which seems only fair to the consumer.

Mr. HEMPHILL. Suppose it were made of veneer and had a natural finish. What labeling would you put on it then?

Mr. BEAMER. If it has a natural finish of the hardwood you mean?

Mr. HEMPHILL. That is right.

Mr. BEAMER. Most generally, the hardwood manufacturers are very pleased to label them genuine hardwood, genuine oak, or genuine walnut, as the case may be. I think they are doing it today.

Mr. HEMPHILL. If you had softwood underneath and hardwood on the surface and you don't provide for labeling softwood here, the furniture manufacturer could still get by with most anything, couldn't he?

Mr. BEAMER. That is the reason section I, page 3, line 5, was included to describe or explain what a veneer construction consisted of.

Mr. HEMPHILL. I don't think that the language is that strict. You

may disagree, however, but from just what you say it says all of the hardwood exposed surfaces are so described or, in fact, are genuine hardwood veneer.

Mr. BEAMER. That is correct. There may be several different layers of wood underneath the genuine hardwood's exposed surface. The chief concern, of course, is that they have a good quality wood and I think you will find all veneer manufacturers use a reasonably good quality of wood.

That is a basic construction.

Mr. HEMPHILL. If you had genuine cherry veneer on the top of it, on the surface, and you had pine or, not necessarily pine or gum or something like that inside, would you have to say genuine cherry veneer and gum?

Mr. BEAMER. No, all you need to do is to identify the exposed surface.

Mr. HEMPHILL. Then, the public is getting no protection in this thing at all. This is not a consumer bill if that is all it does.

Mr. BEAMER. I believe, if I may venture a personal opinion, and I believe the opinion is considered by the consumer, once the exposed surface is scratched or damaged the genuine product can be repaired but an imitation product cannot be repaired, and, after all, the exposed surface of a veneer product is thick enough and heavy enough to last for a lifetime.

In fact, it is lasting for a lifetime.

Mr. HEMPHILL. Is there any labeling act in existence today that either authorizes or specifies that you have to label something genuine simulated?

Mr. BEAMER. For wood products?

Mr. HEMPHILL. For anything.

Mr. BEAMER. Oh, yes. Yes, you must label, for instance, flavoring extracts. I was in that manufacturing business and if we made an imitation product we had to use the word "imitation" in the same size letters that we used the word "vanilla" and imitation vanilla sells at much cheaper prices than pure vanilla.

Those laws are quite specific in the Federal Food and Drug and Cosmetic Act and I believe you will find that the same thing is true in textiles and also the Fur Labeling Act. They must label their products and I think it specifies they must use the same size lettering.

Mr. HEMPHILL. I have been fortunate enough to recently have built in my district a very fine hardwood plant which has brought industry to my section, raised the price of fine hard board, and raised the price of land. Is hard board used in furniture that you know of?

Mr. BEAMER. Hard board?

Mr. HEMPHILL. Yes, sir.

Mr. BEAMER. Yes, I think it is and in many instances they make an excellent product.

Mr. HEMPHILL. What application would this legislation have to hard board?

Mr. BEAMER. If they sell it as a finished product to imitate or simulate some hardwood, they would necessarily have to label it as a simulated hardwood product. If they have a walnut finish, it would necessarily have to say simulated walnut.

Mr. HEMPHILL. If you put "simulated" on there, wouldn't that sort of put a stop to it?



Mr. BEAMER. I have a feeling that the people manufacturing the hardwood products are justifiably proud of their product and they can sell it and could probably sell more without trying to imitate another product. I believe some of them have sold under their own brand or trade names and have done an excellent job.

I think they are justifiably proud of it and I cannot help but believe they would benefit because, after all, the consumer probably would be sadly disappointed if he found it was a hardwood board product and not a genuine product.

Mr. HEMPHILL. Actually, hard board in your definition is not wood, is that right?

Mr. BEAMER. It is a compressed wood, if I am understanding you correctly. I have some in my own home.

Mr. HEMPHILL. What is the difference between hard board and composition board?

Mr. BEAMER. I wish I could answer you.

Mr. HEMPHILL. Is hard board more or less like plywood?

Mr. BEAMER. If I am correctly informed and you are probably more familiar with it than I am—

Mr. HEMPHILL. I ask you to answer the question on it.

Mr. BEAMER. I cannot either. I will leave that to the experts, with your permission.

Mr. HEMPHILL. With reference to local costs and local laws, what do you propose to give to the consumer? If this is a consumer bill, if he gets a product mislabeled and wants to go into the courts, does your bill provide that he can hold the retailer as the natural agent of the manufacturer or not?

Mr. BEAMER. I think you will find the guarantee on page 13, section 8, will explain that to a degree at least.

Mr. HEMPHILL. I was afraid that was not in here. I think that is one of the purposes of this bill is to take the monkey off of the back of the man so the local man can get relief.

Mr. BEAMER. Of course, the Federal Trade Commission, if this legislation is favorably acted upon, will, in turn, make their regulations as they have in the Textile Fiber Labeling Act.

I think it required them some 9 or 12 months to make their 45 different regulations for enforcement of that particular act and I can conceive the same thing would happen in this legislation.

Mr. HEMPHILL. The customer down in South Carolina, we will say, would get stung if your position is correct. He doesn't want to go up to the Federal Trade Commission and have to hire some high-priced specialist who was probably trained down at Federal Trade Commission and then got out of the business, like they all do here.

He wants to go into court in his own hometown and I am in favor of that because that is justice to me, and I think you have provisions in here that won't let him do that. I think you are protecting these people and I think maybe that is part of the design of this bill.

Mr. BEAMER. I think you have a very strong point. Of course, this is trying to get at the source of the error, whatever error exists, at the source of the manufacturer who probably inadvertently or willfully uses or makes a product that is deceitful.

Mr. HEMPHILL. One thing bothers me. This is the second time since I have sat on this committee and we are making a strong and

similar demand but I never had gotten a letter on it from anybody that says a man buying furniture or whatever wood product it is, is dissatisfied or is finding himself being misled.

Mr. BEAMER. I give my personal experience. I don't think I ever received a letter on fur labeling and, as I recall, it went through four or five Congresses before it was passed.

I believe we all agree the fur labeling bill has served an excellent purpose.

Mr. HEMPHILL. I am familiar with the fur labeling bill but you can't rest your case on that bill, this is a different product, a different industry, and a different day.

Mr. BEAMER. I am merely indicating that the letters coming to you would probably come from an organized minority because it is very difficult to secure a large number of consumers who write letters. I believe you will find there are a large number of witnesses representing consumer groups.

Mr. HEMPHILL. I know about a couple of them. I know the nature of the Farm Bureau. I know how wrong they have been and what they have represented about that to some of them but not all of them, some of them I solicited here I am suspect of.

I know they are not interested in the best thing for my people down home. I have had them fight me on legislation they had no business messing in, so that doesn't make the case for me.

Mr. BEAMER. Well, it is possible, of course, to stir up a large number of consumers if we desire to do so. No effort has been made to stir up a large number of consumers. I think you will find industry wanted to correct itself instead of having somebody else fight their battle for them.

Mr. HEMPHILL. I think every consumer would rather have us up here trying to lower his taxes so he could buy a little more whether it is simulated, estimated, or whatever it is in trying to put the Government in business than it would industry.

That is what bothers me so much. You waste time on something in my judgment, that it could be put aside in the emergencies of today.

That is all. Thank you, sir.

Mr. BEAMER. Thank you.

Mr. MACK. Mr. Glenn.

Mr. GLENN. Mr. Chairman, while I did not have the honor of serving with the witness on this committee, I did have the honor of serving in Congress with him. I found him a capable, conscientious, and a very helpful Member of the Congress, and I am sure his statement which he has just made is meritorious and should be given very serious consideration by this committee.

Thank you, Mr. Chairman.

Mr. BEAMER. Thank you, Mr. Glenn.

Mr. MACK. Mr. Curtin.

Mr. CURTIN. Mr. Chairman, I, too, remember Mr. Beamer as a very hard working and conscientious Member of Congress. I would like to ask you, Mr. Beamer, whether it is your understanding under the provisions of this bill that is it legal for a producer, or manufacturer, of veneer furniture with one-twentieth of an inch of mahogany on the surface, and all the rest gum wood, to label it as genuine mahogany?

Mr. BEAMER. As long as the exposed surface is hardwood, yes.



Mr. CURTIN. You don't have to say it is veneer mahogany?

Mr. BEAMER. It is still specified as veneer.

Mr. CURTIN. Under the provisions of this bill, would it be perfectly legal to have a label on a piece of veneer furniture to the effect that it is genuine mahogany? Do you have to also mention on the label that it is a veneer?

Mr. BEAMER. Yes, the word "veneer" must appear. If it is a veneer piece or if it is solid wood.

Mr. CURTIN. The label must say it is a veneer?

Mr. BEAMER. That is correct.

Mr. CURTIN. The label must say it is veneered mahogany? Not solid mahogany?

Mr. BEAMER. That is correct; the exposed surface of a veneer product must still be labeled veneer.

Mr. CURTIN. In that respect, is this bill different from the legislation considered last year?

Mr. BEAMER. In that respect, yes. The word "veneer" has been defined.

Mr. CURTIN. Under that previous legislation—

Mr. BEAMER. If I am not mistaken, the previous legislation only included the exposed surface without mentioning the word "veneer."

Mr. CURTIN. As I recall in the bill last year, all they had to say was that such furniture was genuine mahogany.

Mr. BEAMER. That is correct, but this bill includes the definition of the word "veneer" and they must use the word "veneer" as indicated on pages 7 and 8, section 4(2) (b).

Mr. MACK. Our next witness is a colleague on this committee from the great State of Missouri, Mr. Moulder. We are happy to hear from you, sir.

#### STATEMENT OF HON. MORGAN M. MOULDER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Mr. MOULDER. I am pleased to appear before my colleagues on this bill. My sincere interest in these proposals is attested to by the fact that in the 86th Congress I introduced H.R. 9349 and again in the present 87th Congress I introduced H.R. 1949.

There are many reasons why I introduced these measures and why I am hoping that this committee and the Congress will enact this legislation into law. In the first place, you will note the title of the bill "to protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products." It is our duty to provide protection for the consumer.

In the second place, during the seven Congresses that I have been privileged to serve, I have assisted in and voted for several labeling bills. The wool labeling, fur labeling, and textile fiber labeling are three of these important measures that I supported and, may I add, as the years pass by I grow increasingly proud of the fact that I was able to assist in this worthy legislation.

All of these labeling measures have done more than protect the consumers. The purchaser knows what he is buying when he pays for food, drugs, cosmetic products, fabrics, and furs. There has been a restored confidence in the products manufactured and retailed in

each of these industries that has helped to increase sales and improve conditions.

I am hoping that the manufacturers will support this legislation. You will notice that the title of the bill states that it is to protect consumers and "others." The others refers to the manufacturer and the retailer. I have a feeling that the only opposition might come—as it did in our hearings on the other labeling bills—from a very few individuals or firms who want to get by or deceive the purchaser with a cheaper product that has been made to look like a more expensive genuine product. Thus, this bill protects the many other reliable manufacturers against unfair trade practices.

A simple label such as is required by this bill also will protect and assist the retailer. It will eliminate the guesswork that too often is needed when a prospective purchaser asks what kind of wood or finish is on the piece of furniture.

There are several modifications or changes in the bill presented for this 87th Congress. The word "simulated" is used instead of "imitation" in the thought that it was more descriptive. The requirement that the species of the hardwood be on the label has been eliminated. Instead, the words "simulated hardwood" or "simulated walnut finish" and so on may be used. The original descriptive requirement on invoices have been eliminated. In short, the bill has been designed to work no hardship on any manufacturer or retailer. Instead, it is designed to be helpful to the entire industry and to protect the millions of consumers.

Incidentally, I also am interested in the producers of products coming from the soil. There is considerable softwood in the district that I am privileged to represent. It is a good location for pulp mills. At the same time, some hardwood comes from Missouri and the producers of these fine hardwoods are justly proud of their product. They, too, are entitled to protection.

I strongly urge your favorable action on this legislation.

Mr. MACK. Does that complete your statement?

Mr. MOULDER. That is my statement.

Mr. MACK. Thank you very much. Any questions?

Thank you for your statement.

Our next witness is Mr. E. Howard Gatewood, executive vice president of the Fine Hardwoods Association, in Chicago, Ill.

I might say we held hearings on a similar bill in the last Congress and these hearings will be made a part of the record by reference and therefore if any of the people want to insert their statements instead of testifying, the Chair will recognize that request.

Proceed, Mr. Gatewood.

**STATEMENT OF E. HOWARD GATEWOOD, EXECUTIVE VICE PRESIDENT, FINE HARDWOODS ASSOCIATION, CHICAGO, ILL.**

Mr. GATEWOOD. Mr. Chairman, my name is Howard Gatewood. I am executive vice president of the Fine Hardwoods Association, 666 Lake Shore Drive, Chicago. Our membership consists of 39 manufacturers of genuine hardwood veneers and lumber throughout the United States who employ about 5,000 people. Our product is made from hardwood logs, about 80 percent of which are bought from American farmers and woodlot owners and the balance is in species



which must be imported. The genuine hardwood veneer and lumber produced by our members is sold to manufacturers of furniture, paneling, radio and television cabinets, and other products. I have been employed for the past 14 years in the hardwood industry.

I am delighted to have the privilege of submitting, on behalf of our entire membership, testimony which I trust will establish to the satisfaction of this distinguished committee the urgent need for enactment of the Decorative Hardwood or Simulated Hardwood Products Labeling Act.

This bill is patterned very closely after the Fur Products Labeling Act, as enacted by the 82d Congress, which has been so successful in eliminating deceptive practices previously rampant in that industry, and which, I believe, deserves at least part of the credit for the increase in the sale of fur products since public confidence has been restored in the fur industry. Other precedents for this bill are the Wool Labeling Act and the more recent Textile Fiber Labeling Act.

Gentlemen, I submit the deceptive labeling and advertising of finished hardwood and imitation hardwood products to be seen everywhere on the present market is considerably more widespread and more serious than those in the fur industry which made the Fur Products Labeling Act necessary. I am equally sure that passage of the Decorative Hardwood or Simulated Hardwood Products Labeling Act will bring about the same proportion of benefit to the consumer and to the legitimate manufacturer and dealer of furniture, paneling, cabinets, and other related products.

Since the time of the Pharaohs, 1,500 years before Christ, people have used and appreciated products made from genuine hardwoods. Our association and, in fact, the entire hardwoods industry spends considerable sums of money each year to keep before the public the traditionally hallowed names of our hardwood species—mahogany, American walnut, cherry, maple, oak, and many others. This phase of our job is an easy one, because human beings everywhere feel a deep appreciation of, and a kinship with, the natural warmth, beauty, and friendliness of products made from real genuine hardwoods.

In recent years, however, we have seen an ever-increasing flood of products such as furniture, hi-fi and TV cabinets, and wall paneling—products which have traditionally been made of hardwood—but now are made of fiberboard, metal, plastic, and even cheaper hardwoods and softwoods, but bearing on their surfaces a photographic printed imitation of our beautiful hardwood figure patterns.

Our industry has no objection to these substitute materials copying the appearance of our material. We ask for no help from the Government in meeting the competition of other materials, which we feel we can do strictly on a basis of merit.

But, when these imitation products have gone so far as to use also the established common names of our hardwood species in their advertisements and labels, leading the American consumer to believe he is getting genuine hardwood instead of a fake, then we think it is high time the Federal Government steps in to require manufacturers and retailers to tell their customers what they are getting for their money. We don't say they should stop copying the appearance of hardwoods—just that they should stop pretending that these fakes are hardwoods. A simple description on labels and in advertisements

as required in this bill stating, for example, "Fiberboard, processed to simulate walnut," would put an end to this widespread deception of the American people, a tremendous portion of whom have bought such products labeled "In mahogany" or "In walnut" and have not discovered the fraud until ordinary wear or an accidental scratch reveals that the "wood grain" is only as deep as a coat of ink and cannot be repaired.

We feel it would not be entirely fair on our part to come to the Congress with a bill requiring that our competitors be honest but ignoring certain deceptive practices sometimes resorted to in connection with genuine hardwood products. This occurs when a manufacturer of an article made in whole or in part from an inexpensive hardwood but stained to resemble the color of a more expensive hardwood uses the name of the more expensive wood in his description. The bill also prohibits any finished genuine hardwood product being labeled or advertised by any species name other than that actually used for the exposed surface of that product, unless prefaced by the word "simulated."

I have taken the liberty of having placed before you samples of three different kinds of surfaces currently available on products of this kind.

The sample numbered 1 is made of fiberboard, sometimes called hardboard. It is a composition material made from wood fibers. The surface of this material has been imprinted with a photographic imitation of the appearance of genuine cherry. We have sanded off the printing at the bottom of the sample to reveal the true nature of the product. When wear or damage has removed part of the printing, it is virtually impossible for the owner of the product to restore the original appearance. Television and phonograph cabinets, wall paneling, furniture, and other products made from this material are advertised, labeled, and sold to the trusting consumer under such deceptive terms as "in cherry," "cherry finish," "cherry grain," or simply "cherry," to use that species as illustration.

Sample No. 2 is made of luan, a relatively inexpensive hardwood, the surface of which also has been imprinted with a photographic imitation of the appearance of cherry. The same uses on products, deceptive terms, and the same shortcomings apply to this sample as those described under sample No. 1.

Sample No. 3 is genuine cherry plywood. Again we have sanded through the finish at the bottom to show that the authentic grain exists deep into the wood.

Sample No. 4 is genuine cherry veneer. This is included to prove that veneered surfaces have substance and consist of an actual slice of the cabinet wood named. Printed surfaces, on the other hand, have no substance other than a layer of ink and have no right to the use of the hardwood species name which they imitate.

Another example of materials using a simulated printed hardwood appearance would be high-pressure plastic laminates such as formica, micarta, and so forth. I have not provided a sample of these, because I believe all of you are familiar with them. Frankly, most plastic products are clearly marked as plastic. However, plastic products often use hardwood species names in a way which could be termed "deceptive," and certainly should be included under this act to avoid consumer confusion.



Gentlemen, the nine display boards I have placed here in the room contain actual clippings of advertisements of products which are not, in fact, made of the hardwood species which they name. I hope that each of you will take the time to examine these displays during the hearings. These represent just a small sample of the deceptions currently being practiced. Almost any daily newspaper you might pick up will contain ads offering products under genuine hardwood names which are not used in those products.

Let me make it clear that the manufacturer of products coming under this bill is selling to persons who are well-informed buyers in retail organizations. The manufacturer makes no attempt to deceive the retailer regarding what his product is made of and probably could not get by with it if he tried, although he does sometimes furnish advertising material to the retailer utilizing hardwood species names in a deceptive way. The great majority of the deceptions begin at the retail level, and I am willing to believe that much of it there is due to ignorance rather than fraudulent intent on the part of the person composing ads and particularly on the part of the retail salesman.

Our association has conducted sales training clinics in the past 2 years in 70 major cities across the country for retail furniture salesmen. In each of these meetings, we have asked whether the labels called for in this bill would be welcomed or resisted by the retail furniture salesmen. All except 12 of the 4,160 salesmen attending these meetings have held up their hands as favorable to the bill. Their spokesmen have told us, in substance, "We don't want to guess, bluff, and lie when asked about species and materials on furniture, but some of these imitations closely resemble the genuine and we can't tell the difference. Such labels would enable us to do an accurate and more effective selling job."

The deception that is most harmful is the one which takes place on the retail floor when the sale is made. Regardless of the honesty or intent or the part of the retail salesman, a label on the article clearly setting forth whether it is genuine or an imitation would effectively insure that Mrs. Housewife would receive exactly what she thought she was buying. Similarly, the accurate advertising of products included under this bill would further insure against misunderstandings and deceptions, intentional or otherwise.

Gentlemen, the provisions of this bill are simple ones, requiring only that the consumer be informed on what he is getting for his money.

1. This bill includes any finished article of furnishings (furniture, TV sets, et cetera), and any finished structure surface covering (wall paneling, flooring, et cetera, that has—

(a) A wholly or partially exposed surface of imitation hardwood grain or pattern;

(b) A wholly or partially exposed surface of genuine hardwood that is finished so as to reveal the natural grain or growth characteristics; or

(c) A wholly or partially exposed surface that is a combination of genuine and imitation hardwood.

2. The bill makes it a misdemeanor to manufacture, promote, advertise, sell, or distribute any product as described under provision 1 that I just read if it has been mislabeled, not labeled, or falsely or deceptively advertised under the terms of the act.

3. It provides that the label on simulated hardwood products shall reveal the true generic name of the material actually used and the common name of the hardwood species imitated; for example, "Fiberboard, processed to simulate walnut."

4. It provides that the label on genuine hardwood products shall reveal either the common name of the hardwood species used for the exposed surfaces or at least that it is "genuine hardwoods," and the presence of veneered construction. If other hardwood names are used to describe color, the imitated species name must be immediately preceded by the word "simulated." For example, a table with walnut top and luam legs would be labeled either "Walnut veneer and other genuine hardwood solids," "Walnut veneer and luam solids," "Walnut veneer and simulated walnut solids," or "Genuine hardwoods, veneered construction."

5. It provides that any decorative hardwood or imitation hardwood product will be considered deceptively advertised if the advertisement uses the name of any hardwood species in describing the exposed surfaces of such product when they are not actually made of that species, unless such species name be immediately preceded by the word "simulated."

Although these provisions are simple ones calling only for simple basic honesty, at previous hearings opposition has been raised by manufacturers and retailers of furniture and their representatives and by manufacturers of materials used to simulate hardwoods. The opposition has come entirely from this special interest group, whereas support for the passage of this legislation has been placed on the record by such consumer organizations as the National Consumers League, the General Federation of Women's Clubs, the Cooperative League of the U.S.A., and the Consumers Conference of Greater Cincinnati, the AFL-CIO, the National Grange, the American Farm Bureau Federation, and the National Farmers Union. The excuses used by the special interest opposition group are many, but they all boil down to the facts that the furniture manufacturer just doesn't want to be bothered with labeling. The National Retail Furniture Association has a horrible fear of having its members considered in interstate commerce, and the manufacturers of materials used to simulate hardwoods apparently feel their business would suffer if they had to admit to the consumer that these materials actually are not the hardwood species they imitate. I would like to examine with you for a moment the validity of some of the excuses used by the opposition.

The first is "another example of government interfering with private business." Many of us agree with Thomas Jefferson's concept of "That government governs best which governs least," but everyone will also agree that it is the proper province of government to prevent and punish larceny. I submit that selling some nonwood material as wood and selling one wood species as another constitutes larceny.

Another contention I have heard is that labeling would be burdensome on the manufacturers. Furniture manufacturers have bought and paid for 22 million mahogany labels from the Mahogany Association in the past 25 years. They have bought over 8 million walnut labels from the American Walnut Manufacturers Association in the past 20 years. They have bought over 5 million genuine hardwoods



labels from the Fine Hardwoods Association in the past 5 years. Since all of these 35 million labels were voluntarily purchased by the furniture manufacturers and placed on their products, labeling would not appear to be the burden that some claim. It is interesting to note that some of the negative testimony in the Fur Labeling Act hearings contended that the labeling of furs would be unworkably burdensome, but that industry has apparently been able to comply without undue hardship.

At previous hearings opponents stated that a few furniture manufacturers purchase mixed carloads of hardwood lumber and never know just what species each board is. To take care of situations like this this bill was changed to permit, if desired, the use on labels of the term "Genuine hardwoods" in lieu of naming the species. Others will undoubtedly prefer the sales advantage of actually using the name of the species used.

Some persons negative to this legislation claim that no deceptions take place in the marketing of hardwood and imitation hardwood products. If this were true, the preparation of the nine display boards in this room would be impossible.

In resisting this simple and workable Federal bill to insure fairness and honesty in the marketplace, manufacturers and retailers have apparently failed to recognize the improved business levels for products of all materials requiring proper labeling and advertising under this bill which would surely result from the restored public confidence in the industry and its products. These opponent witnesses may not be aware that the States of New York, Massachusetts, California, Illinois, Connecticut, and New Jersey have all set up bureaus of consumer fraud in recognition of the widespread type of deceptive practices which this bill would eliminate. Surely these opponents would rather operate under 1 simple and nonburdensome Federal bill than under 50 different sets of rules from as many States governing the labeling and advertising of their product.

Opponents have stated in previous hearings that the Federal Trade Commission already has authority to control this type of misrepresentation. I have already established that most of these misrepresentations are perpetrated by the intrastate retailer who is beyond the control of the FTC. Hon. Earl W. Kintner, then Chairman of the FTC, in submitting testimony on this bill on August 10, 1959, before the Senate Interstate and Foreign Commerce Committee, stated:

To the extent possible, the Commission has sought to effect correction of deception in the sale of decorative wood or imitation wood products by the application of its present authority. This authority, however, does not extend to requiring general labeling which it may well be argued the situation demands \* \* \*. While these efforts in the Commission recognize the need or desirability of labeling to adequately protect the buying public and fair practices in competition, nevertheless it should be pointed out that mandatory authority to impose such requirement upon recalcitrant competitors is lacking, particularly in the area of sales to the ultimate consumer \* \* \*. Labeling legislation, however, of the type involved in S. 1787, which is similar to this bill, would obviate this difficulty (of enforcement) as has been accomplished in the case of the labeling provisions of the Wool Products Labeling Act of 1939 and the Fur Products Labeling Act of 1951.

That the Chicago Better Business Bureau recognizes the seriousness of these deceptions is indicated by an article appearing in their official publication, *The Report*, under date of September 9, 1957. This arti-

cle is entitled "Wood Descriptions Must Be Accurate," and reads in part:

Hardboard and plastic surfaces are often treated to resemble popular furniture woods and have been falsely described by the use of the name of the wood they resemble.

In the interests of time, I would like to submit the complete article for the record, rather than reading it.

Mr. MACK. Without objection, it will be included at this point in the record.

(The article referred to follows:)

[The Report, Chicago Better Business Bureau, Sept. 9, 1957]

#### WOOD DESCRIPTIONS MUST BE ACCURATE

Well-known wood names, such as mahogany, walnut, etc., when used to describe furniture, are deceptive and misleading, unless the products to which they refer are actually made of those woods, or unless such descriptions are fully qualified.

Hardboard and plastic surfaces are often treated to resemble popular furniture woods and have been falsely described by the use of the name of the wood they resemble.

Such words as "mahogany" alone, or in connection with such words as "grained," "finish," or "color," etc., are deceptive to describe plastic, or hardboard, printed or stained to resemble such woods. Correct description would be—

"Mahogany printed plastic."

"Mahogany colored plastic."

"Mahogany printed paper on hardboard."

Color or Finish: Such descriptions as "walnut," "walnut color," "walnut finish," etc., are deceptive unless the article is made of the wood named, or unless the wood on which the color or finish is applied is also named. Correct description, for example, would be—

"Walnut finish on gum."

"Walnut color on gum."

or, if the wood is not known—

"Walnut finish on hardwood," or (cabinet woods).

Veneer in headlines: A dining room set composed, for example, of walnut veneering on flat surfaces and having gum posts, legs, stretchers, etc., may not be described in the headline as "walnut," or "walnut veneer." Such headline should contain the name of the other wood, as for example—

"Walnut veneer and gum."

or, if the other wood is not known—

"Walnut veneer and other cabinet woods."

Solid wood may, of course, be described by the name of the wood.

When in doubt as to the wood or other substance of which the article is made, omit the material description entirely.

Mr. GATEWOOD. That the public has lost confidence in the furniture industry was indicated rather conclusively by a consumer survey conducted by the Minneapolis Star and Tribune among 600 homemakers in May 1958, and reported in the October 31, 1958, issue of the Home Furnishings Daily under the heading: "Furniture Ads Rated as Least Truthful." The article states in part:

A survey by the Minneapolis Star & Tribune Co. has revealed that an alarming proportion of Hennepin County homemakers rate furniture advertising as the least truthful of newspaper ads, as well as the least helpful. Twenty-three percent answered "Yes" to the question, "Have you ever had the experience of shopping at a furniture store in the Minneapolis area and of finding the merchandise not as advertised?"

That the Federal Trade Commission recognizes the existence of the deceptive practices which this bill will eliminate is established by



this quotation from the original staff draft of their proposed new Household Furniture Trade Practice Rules:

## RULE 2. DECEPTION AS TO COMPOSITION

I. In the sale, offering for sale, or distribution of industry products, it is an unfair trade practice to represent or imply that an industry product or part thereof is in whole or in part of a certain composition when such is not the case, or to fail to disclose that such product or part thereof having the appearance of being of a different composition is not of the composition it resembles.

II. Wood and wood imitations: Among the practices which are considered to be violative of section I of this rule are—

(1) Representing or implying by the use of trade names, trademarks, or otherwise, that an industry product, or any part thereof, is wood, or of a named wood, when such is not the fact.

(NOTE 1.—Hardboard shall not be unqualifiedly represented as "wood," but may be designated as "hardboard," "synthetic wood," "fiberboard," "made from wood fiber" (when such is the case), or by such other designated or descriptive term as adequately and nondeceptively makes known the general nature of its composition.

Another example of the recognition by the FTC that these deceptive practices exist in the television and phonograph industry was the FTC news release dated December 14, 1960, announcing that nine major TV and hi-fi manufacturers had signed stipulations—

agreeing to disclose clearly the true nature of cabinet materials finished to simulate wood.

Unfortunately most of these deceptions are practiced by the retailer rather than the manufacturer and these stipulations will have no effect on the retailer. Only a Federal bill such as this one can control the marketing practices of the retailer.

An objection to this bill voiced by the National Retail Furniture Association in their "Trendicators" bulletin of October 9, 1958, states:

By unanimous vote, the board put NRFA on record as opposed to wood products labeling legislation on grounds that such legislation would not materially protect consumers and would tend to retard use of new materials in furniture construction.

By their selection of the word "materially" NRFA apparently concedes that the bill would give some degree of protection to the consumer. But it is the balance of the sentence, "\* \* \* and would tend to retard the use of new materials in furniture construction," which is of particular significance. Since the bill would have no effect whatsoever on materials not masquerading under the appearance and name of hardwood, NRFA thus admits that having to reveal to the consumer that imitations are not real hardwood would retard their sales.

The fiberboard interests at these hearings may claim that the bill discriminates against them by requiring that the labels reveal the existence of fiberboard under the printing ink constituting the fake hardwood grain unless the bill also requires that products made of genuine hardwood plywood spell out the species used for each layer or ply. This is not a true objection but merely an attempt to cloud the issue.

This bill applies to exposed surfaces only. Products made of fiberboard utilize the fiberboard on the exposed surface and merely print on it to make it resemble a genuine hardwood species and apply the usual clear finishing materials. You might wish to refer again to sample panel No. 1 to refresh your memory on the nature of material.

Products made from genuine hardwoods, on the other hand, either plywood or solid—offer the true authentic beauty and depth of real hardwood grain on the exposed surfaces, as indicated by samples Nos. 3 and 4.

Mr. Chairman, I would like to request permission to submit for the record the prepared statements of—

Mr. Burdett Green, vice president of Elmendorf Research, Inc., Palo Alto, Calif.

Mr. C. W. Robinson, managing director, Mahogany Associates Chicago, Ill.

Mr. Joseph Magliacano, business agent, Furniture, Bedding & Allied Trades Workers Union, Local No. 92, CIO, Newark, N.J.

Mr. William M. Haas, contract manager, Marshall Field & Co., Chicago, Ill.

Mr. L. M. Clady, secretary-manager, Maple Flooring Manufacturers Association, Chicago, Ill.

Mr. R. A. Spelman, Wood Office Furniture Institute, Washington, D.C.

Mr. Jules Bachrach, president, Huntington Furniture Corp., Huntington, W. Va.

Mr. Claude R. Mowry, past editor, International Wood Collectors Society, Reno, Nev.

Mr. Donald H. Gott, secretary-manager, American Walnut Manufacturers Association, Chicago, Ill.

Mrs. Jeannette St. John, president, the Consumer Conference of Greater Cincinnati, Ohio.

Miss Sally Butler, director of the Federation of Women's Clubs of Washington.

Mr. MACK. Without objection, they will be included in the record. (The statements referred to follow:)

ELMENDORF RESEARCH, INC.,  
Palo Alto, Calif., August 9, 1961.

HON. OREN HARRIS,  
Chairman, House Interstate and Foreign Commerce Committee,  
Washington, D.C.

DEAR CONGRESSMAN HARRIS: My name is Burdett Green, of Los Gatos, Calif. I am vice president of Elmendorf Research, Inc., of Palo Alto, Calif., and president of Welding Service Sales Co., of San Francisco, and partner of Key Equipment Co., of Oakland, Calif. Elmendorf Research, Inc., concerns itself primarily with the development of new and improved uses of woods and other forest products. My associate, Mr. Elmendorf, holds some 70 patents on such products or processes.

I respectfully request that this statement on behalf of the Decorative Hardwood or Simulated Hardwood Products Labeling Act (H.R. 1141 and H.R. 1949) be incorporated in the record of the hearings on this bill which your committee will conduct on August 15, 1961.

My interest in this bill stems from a long-recognized need for a "name-the-woods labeling act." This seems to be the only effective means of correcting widespread misrepresentation, since both the Federal Trade Commission and the Better Business Bureau have actually failed to do much toward correcting a bad situation which has grown increasingly worse during the past few years since printed and other imitations of fine woods have become widely used in furniture, television cabinets, and even wall paneling.

My experience with the general problem of misrepresentation of fine woods and the many products normally made of them begins even before 1930 when I helped with an FTC trade practice conference on "Name the Woods," mainly on walnut, which conference, sponsored by the industry with which I was associated, did much to clean up bad practices both within our industry and without.



On innumerable occasions I have been called upon by the Federal Trade Commission, the various better business bureaus, and individual firms to testify as an expert witness in court cases or in the case of the better business bureaus, to do actual shopping for them, and to train their employees to recognize the fraudulently advertised and/or sold merchandise, and in cooperation with the associations of furniture retailers, to help break up practices that misled the purchasers or prospective purchasers of household furniture and appliances. Over these many years, we have worked and cooperated with all of these agencies, including the National Better Business Bureau and the National Association of Better Business Bureaus.

Without any reflection upon their good intentions and their general effectiveness in fields other than furniture and TV cabinets, I must point out that they have made but minor inroads toward stamping out widespread misrepresentation in connection with the names of fine woods as applied to furniture, television cabinets, etc.

This same admission of ineffectiveness, if not downright failure, also applies to my own work over nearly 30 years for the agencies named above and for both the American Walnut Manufacturers' Association, the Veneer Association, and the Fine Hardwoods Association. The purpose of establishing these facts and especially in pointing out these weaknesses is not to be critical of our own work or of the work of these other agencies but is to show the real need for this legislation. Surely the fact that widespread deception, intentional or otherwise, still exists after all of those efforts, clearly indicates the urgent need for proper additional legislation. An act of Congress, many of these agencies have admitted for some time, appears to be the only answer.

Other methods have been tried. Over the past 30 to 35 years many and varied efforts have been attempted to clean up this problem. First, the FTC trade practice conference approach was tried and it did a good job as far as manufacturers of cabinet woods, lumber, veneers, and other wood products were concerned. Considerable good resulted with various agencies, such as those associations I represented during these years, doing much of the policing (i.e., after careful checking, pointing out the occasional malpractices to the FTC, BBB), or usually just by calling his mistake to the attention of the transgressing manufacturer, he would correct his mistakes willingly. The *Haskelite* case was an exception.

But by the time these wood substitutes and imitations were made into furniture, etc., and the finished products reached the retailers, some confusion existed because manufacturers did not clearly label their products. Confusion still existed even when they did properly invoice such products (which, by and large, the furniture manufacturers did, and now do, correctly). Also, some dealers found it to their advantage not to have their salespeople know too much.

In order to give an added selling help to walnut, we originated the "genuine walnut" and "solid walnut" merchandising tags. These would identify the real, and by inference, we hoped, too, would help warn consumers when substitute woods or imitations were being used on products that did not carry the tags. Even though more than 50 percent or at times up to 90 percent of all exposed surfaces of a piece of furniture was faced with walnut, it was the association's policy to deny the use of the "genuine" or "solid walnut" tags until the product was 100 percent walnut on these visible, wearing surfaces.

Mahogany, maple, and other tags were later provided by the interested associations or at times by the individual furniture or TV manufacturers. In spite of the fact that many millions of these species tags and labels have been used, there still was an absence of proper description on products employing either imitations of woods or substitutes for fine woods which were finished to resemble the quality products. Then, in an attempt to get the genuine hardwood products before the consumer in at least a half fair manner, the Fine Hardwoods Association in about 1953 brought out the "genuine hardwoods" tags and seals for use on all qualifying products. They, too, have been a big help but are inadequate when the imitations and substitutes are permitted to be sold right alongside the genuine with either of these unfair and misleading practices taking place:

(a) The products using imitations or substitutes, by visual deception, and no further claims, mislead the buyer; or

(b) Merchandising tags, advertising, and the spoken word of the retail salesmen clearly misrepresent the products to be of some named, and highly regarded, fine hardwood. This later practice is, unfortunately, all too frequently the case where misrepresentation does occur.



Please understand that I have not said in the above that all dealers misrepresent, either intentionally or otherwise, for many are very scrupulous and accurate, but the seriousness of the misrepresentation or misleading sales talk will be established in what is to follow in this statement. For the protection of all scrupulous dealers, passage of this bill is essential.

We again come to the conclusion that a Federal law is necessary to provide for the proper labeling of both the genuine as well as the limitations. This labeling must be so applied that it will carry on through the distributors and dealers to the ultimate consumer, for in the final sale to the consumer most of the misrepresentation takes place, and the consumer, not being as well trained or experienced as is the dealer, is easy prey.

This is especially important since you will be reminded by dealers and their associations that most Federal laws and FTC rules cannot be enforced on the average dealer not engaged in interstate commerce. You may ask why all of the existing agencies and the existing name-the-woods rules have not been effective. I believe that it can easily be explained if it were necessary or would be helpful. But since you are now considering a needed, effective, corrective measure, this statement will attempt to clearly establish just one more pertinent fact; that is, the seriousness of the misrepresentations and deceptions in our market today. Millions of people are being fooled.

I recently invited the head of the Better Business Bureau of Phoenix, Ariz., to attend a sales meeting on fine hardwoods, including information on how to sell and how to recognize the imitations and substitutes and how to effectively and honestly label and advertise both the real and the imitation. This Better Business Bureau head told me that would be a waste of time, for Phoenix had no problem, that the furniture dealers there were all in the clear, and that there were no complaints from consumers. I offered to do a little shopping and report to him. The next morning he called me before our meeting began, withdrew his previous statements, and reported that he himself had been the victim of a real hoax. He had bought a brand name television as "housed in a cherry cabinet," "a fine piece of cabinetry, etc.," whereas his careful inspection the night before (after my talk with him) disclosed that it contained no cherry and little or no hardwoods but all of the large flat areas were of fiberboard on which the picture of cherry wood had been printed. He and his family were sure they had a cherry television cabinet because both the brand name manufacturer and a very reliable dealer "had told us so." He knowing how to proceed, is reporting this case to the FTC for whatever slow and doubtful action they give it. But what could the average consumer do?

First, the average citizen may never learn the facts and that is the insidious angle to this whole problem. It is a bit like having TB or cancer and not finding it out until too late. But fortunately there are at least a couple of people along the line (of distribution) who know and could disclose the facts if it became their duty (through this bill) to do so. They are first, the manufacturer, and second, the dealer.

You may assume the above example in Phoenix to be an isolated case. But it is not. For example, between 6 and 7 p.m. that previous afternoon I did the shopping promised. Five articles were shopped in two stores, one being one of the best in town. Four of the five were seriously and flagrantly misrepresented, and in three cases in writing, when I requested it. When I asked, "Is the walnut console real walnut wood like the walnut furniture in our house?" I was assured that it was when, in fact, it was just a printed picture of walnut on  $\frac{1}{4}$ -inch-thick pressed fiber panel.

Recently, I have repeated the above tests in all of the larger cities west of Denver, with about the same results and experiences. In some instances the salesmen, given encouragement to disclose the full truth by my repeated questions, did say "simulated grain" or "mahogany finish," but rarely did he disclose on what material the mahogany grain, printed picture, was applied.

In some cases where, before leaving, I disclosed that I knew what the product really was, the salesmen explained that they were planning to tell me, but the facts are that, during 15 minutes or more that it took me to shop the item, I had not been told.

Both newspaper advertising and the dealers' tags on merchandise contain descriptions which persons in authority have a chance to see and approve or correct, whereas the individual salesman does have more freedom. The word "finish" on the tags is often used as a smokescreen.

Speaking generally, as I have done largely through this statement, most retailer tags contain, along with the name of the article, price, code for manu-



facturers' identity, etc., a single line marked "Fin." or "Finish" after which "mahogany," "cherry," or the name of some fine cabinet wood is written or typed in. Very rarely does the tag have a line labeled "Wood species." We have been unsuccessful in getting the dealer association, which prepares these tags, to add a line marked "Wood species."

I have recently asked hundreds of dealers what the line on their tags headed by the word "finish" really means when they write in "mahogany." The answers are somewhat varied, but most say it means color. When shown a piece of genuine mahogany wood they admit that this furniture so labeled is usually not the color of mahogany. Some few say it means the protective coating that is put on the wood but almost never does one find "varnish" or "lacquer" after the word "finish."

When I point to their tags that say "Finish: solid maple," they usually say, "Oh, that is really solid maple." A rather small percent tell us that the fill-ins (walnut, mahogany, etc.) on their tags after the word "finish" really means the wood of which the piece is made. Not as much as 10 percent of the several hundred queried these past 2 months have answered "the wood."

Please understand that when I "shop" I am usually checking up on some doubtful advertising which I have read (e.g., "Magnificent newly designed camphorwood bedroom group, \$349.50"). In the case of this recent Salt Lake City advertisement, they soon admitted there was no camphorwood used in the suites.

Many fine stores do a generally accurate job of advertising and labeling. A few, especially department stores, do not make any written claims on their tags. In a good majority of these retail stores of the United States, tags are like the previous example "Finish: mahogany" and the piece may either be all or partially of mahogany or no mahogany at all.

While this does not mean that more than half of all the pieces of furniture, TV cabinets, desks, and the like that are sold are misrepresented, nevertheless I am confident that the cases of the various types of misrepresentations run into the millions each year.

Since addressing you on June 3, 1960, I have had further experience in connection with the need for the labeling of products made of fine woods and I am pleased to note that during the past year or two during which such legislation has been advocated, merchants and furniture dealers are more interested in good, sound legislation of the type recommended.

All too little is being done to help the consumer know what he is getting for his money. The consumer could get much needed protection and be given a chance to make his own choice if accurate labeling and advertising were required as stipulated in this bill.

And do the consumers care? Do they want to know? A recent national, authoritative survey made at the expense of the National Association of Furniture Manufacturers proved that to the consumer the second most important buying motivation is "What wood is it?" The consumers do want to know and have a right to know what wood or what material is being offered them—just as they now know what fur they are buying, thanks to the enactment of the Fur Products Labeling Act. The consumers should be given equal assurance in the case of hardwood and imitation hardwood products through this bill.

I respectfully solicit the favorable action of the House Interstate and Foreign Commerce Committee on this urgently needed legislation.

Very truly yours,

BURDETT GREEN.

MAHOGANY ASSOCIATION, INC.,  
Chicago, August 11, 1961.

Re H.R. 1141.

THE COMMERCE COMMITTEE,  
House of Representatives, Washington, D.C.

GENTLEMEN: At our last meeting, the directors of the Mahogany Association, Inc., voted unanimously to support the efforts of the Fine Hardwood Association toward effecting passage of this bill.

For many years, the Mahogany Association, Inc., has under specific contracts with furniture manufacturers furnished Mahogany Association tags and labels for the use of retailers marketing furniture made of genuine mahogany. These tags and labels, to some extent, have helped the American consumer in distinguishing between true mahogany furniture and the many cheap imitations.

Today, there are all types of materials being marketed in an attempt to imitate true woods, including some actual hardwoods encroaching upon the name of established fine hardwoods in an effort to deceive the buying public. Our position is that the American public deserves help from its Government to aid in distinguishing the real article from the many imitations that have come in the market today.

The Wood Labeling Act is a step in the right direction as we see it.

Yours very truly,

C. W. ROBINSON, *President.*

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FURNITURE, BEDDING & ALLIED TRADES  
WORKERS UNION, LOCAL No. 92,  
Newark, N.J., August 7, 1961.

HON. OREN HARRIS,  
*Chairman, House Interstate and Foreign Commerce Committee, House Office Building, Washington, D.C.*

DEAR MR. HARRIS: This is to advise you that the members of this local union, are very much concerned and are in full support of the proposed House bill, Decorative Hardwood or Simulated Hardwood Products Labeling Act, H.R. 1141 and H.R. 1949.

This bill not only protects the interest of our consumer members as consumers, but also those of our members who are employed in the manufacture of hardwood and hardwood products. They have suffered from the invasion of these fields by substitute products which are deceptively represented to be genuine hardwood.

We refer particularly but not exclusively to the radio and TV industry, but also the field of institutional furniture.

We feel that legislation to correct this practice is urgently needed.

Very truly yours,

JOSEPH MAGLIACANO, *Business Manager.*

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EVANSTON, ILL., August 8, 1961.

HON. OREN HARRIS,  
*Chairman, House Interstate and Foreign Commerce Committee, Washington, D.C.*

DEAR MR. HARRIS: I am writing to you in support of H.R. 1141 and H.R. 1949. I have engaged in the retail and contract office furniture and institutional furniture business continuously for over 20 years interrupted only by World War II service. Currently I am employed by Marshall Field & Co., Chicago, as manager of its contract division.

My experience in merchandising office furniture and institutional furniture indicates to me that only the larger consumers (who frequently employ professional purchasing officers and/or hire the services of experts) are reasonably able to protect themselves against misleading descriptions pertaining to furniture. The smaller purchaser must rely on that which the salesman tells him and what little he can learn from the tags, if any, on the piece of furniture.

For many years case goods manufacturers have used such expressions in labeling and cataloging as "combination walnut" or "combination mahogany." To one manufacturer this may mean that all exterior parts except minor ones are genuine walnut or mahogany and that only small parts, i.e. legs and rails, are of another material and finished to resemble genuine walnut or mahogany. Other manufacturers, for example, may provide genuine walnut on the top only, furnish other woods for all other parts finished to resemble walnut but also call his piece "combination walnut."

Office and institutional chairs are frequently manufactured of birch and stained to resemble walnut or mahogany and are generally described as "walnut finish" or "mahogany finish." It is my opinion that the consumer is very often confused and misled by these terms.

There is no reason in my opinion that various materials should not be used for practical and economical reasons and finished in any manner desired. However, honest labeling, or "fiberboard processed to simulate walnut," would seem to provide a needed measure of protection to the consumer and would certainly cause no hardship to the conscientious merchant or manufacturer.



I respectfully urge your committee to report out favorably the Decorative Hardwood or Simulated Hardwood Products Labeling Act.

Very truly yours,

WILLIAM M. HAAS.

MAPLE FLOORING MANUFACTURERS ASSOCIATIONS,  
*Chicago, Ill., August 1, 1961.*

HON. OREN HARRIS,

*Chairman, House Interstate and Foreign Commerce Committee, House Office Building, Washington, D.C.*

DEAR SIR: I am secretary-manager of the Maple Flooring Manufacturers Association, a trade association representing 11 manufacturers of northern hard maple, beech, and birch flooring.

I respectfully request that the statement in this letter on behalf of the Decorative Hardwood or Imitation Hardwood Products Labeling Act (House bills Nos. H.R. 1141 and H.R. 1949) be incorporated in the record of the hearings which your committee will conduct on this bill on August 15.

The northern manufacturers are very much concerned by the influx on the market in recent years of flooring products made of asphalt tile, vinyl tile, and similar synthetic materials. These composition floorings have imitation hardwood graining and are labeled, advertised, and sold so as to give the misleading impression to the public, that they are genuine hardwood species of flooring. The advertising and promotion of these synthetic products often refer to such hardwood species as maple, beech, oak, walnut, birch, etc.

It is also true that sometimes one species of genuine hardwood flooring is represented to be another more expensive species.

We feel that these materials have a definite capacity of deceiving the purchaser and we are convinced that the advertising and labeling provision of House bills Nos. H.R. 1141 and H.R. 1949 would succeed in eliminating this possibility. It is our opinion that ethical manufacturers of products coming under the jurisdiction of this legislation can have no objection to its requirements. Therefore, I most urgently entreat this distinguished committee to report out this bill favorably.

Yours very truly,

L. M. CLADY, *Secretary-Manager.*

STATEMENT OF ROBERT A. SPELMAN, WOOD OFFICE FURNITURE INSTITUTE,  
WASHINGTON, D.C.

Mr. Chairman, my name is Robert A. Spelman. I am executive director of the Wood Office Furniture Institute, the trade association of the manufacturers of the wood office furniture industry, with offices located at 1414 I Street N.W., Washington, D.C. The 12 members in the institute, are located in North Carolina, Indiana, and Iowa. They employ approximately 3,000 people.

I have been instructed by the membership of the Wood Office Furniture Institute, to present the association's views in favor of the proposed Decorative Hardwood or Simulated Hardwood Products Labeling Act.

Our membership is interested in seeing that its products are properly merchandised. A label on each piece of furniture will insure its being honestly represented to the consumer.

The finishing of one wood species to look like another is probably as old as the furniture industry itself. The practice of printing hardwood figures on materials other than wood has also gone on for many years. When metal office furniture first entered the market it was common practice to print wood grain patterns on desks and filing cabinets. This was done to match the wood furniture being used in most offices during that period. This practice was not instituted to misrepresent the metal product as hardwood. The same thing cannot be said today for the printing of hardwood grain patterns on fiberboard and other nonwood materials, which may be easily misrepresented to an uneducated consumer, or even by an unindoctrinated retail salesman.

A label setting forth the materials contained on any one furniture piece would serve to insure the consumer against deception and to assist the dealer to represent the product honestly. As a matter of fact, the label will aid in the sales education efforts to which the manufacturer members of the Wood Office Furniture Institute are dedicated.

If the proposed label would set forth the materials used, in the case of imitation, and the wood species or "genuine hardwoods" in the case of genuine, it would be helpful to the manufacturer and the dealer, most of whom are interested in representing their products honestly. Mainly, however, it would assist the consumer in knowing what he is buying.

Unfortunately, every industry will have a few individuals who will misrepresent if they can get away with the practice. Passing of the Labeling Act would make it virtually impossible to hoodwink a consumer.

Because most wood office furniture today goes into executive offices, it is naturally of higher quality than some of the other furniture used in offices. For this reason, the printing of hardwood figures on hardboard has not been a major problem in the office furniture industry. Recently, however, one office furniture manufacturer has marketed a printed desk, sold at a low price. It is possible that others will follow. The proposed label would keep such manufacturers honest.

Many manufacturers, including some of our members, make desks and chairs of one species but finished to look like another. Their price lists and literature clearly state the species used. For example, a chair made of birch and finished walnut is priced lower than one made of genuine walnut. The retailer is aware of the content and the price, as usually an identical designed model will be made by both methods. It would be possible for a dishonest retailer to sell the lower priced model, in this instance, for the higher priced one to an uneducated consumer. The label would help him resist the temptation.

There is a type of desk, credenza, or table made of several species in which the top and panels will be made of genuine walnut, while some of the other exposed surfaces may be made of birch, pecan, or some other less expensive hardwood species. This desk will be sold by the manufacturer to the retailer as a combination walnut piece. The retailer is aware of the species content of the piece. He should not represent the exposed surfaces to the consumer purchaser as genuine walnut, which can and is being done at the present time.

Because the manufacturer members of the Wood Office Furniture Institute are interested in having their products represented honestly in the marketplace, they feel the Decorative Hardwood or Simulated Hardwood Products Labeling Act should be favorably considered by your committee. I would like to point out that the printing and preparation of the label will be an additional expense to the manufacturers but one they will willingly bear to insure the honest merchandising of their wood furniture products.

It is the sincere hope of our member manufacturers, whose products are sold in every State of the Union, that you will favorably consider passage of this bill.

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STATEMENT OF J. M. BACHRACH, PRESIDENT, HUNTINGTON FURNITURE CORP.

The success of our company has been built on a strict policy of honest and fair representation of our products. Like most furniture manufacturers, we offer some range in price groupings, and to remain competitive have adopted new materials and techniques as they have come along. However, our sales representatives and our printed material strive to give complete factual information to the retail store executive or buyer of furniture. I believe this is true with a great many of the more responsible furniture manufacturers.

As you may know, furniture may be made (1) with all exposed surfaces in a fine wood like mahogany, to use that species for example, (2) with flat surfaces in mahogany and other surfaces in a less expensive wood stained to resemble mahogany, (3) entirely in a less expensive wood stained or printed to resemble mahogany, or (4) in some nonwood material printed to resemble mahogany or some other fine hardwood. There is nothing basically wrong with any of these techniques as long as Mrs. Housewife is told what she is getting for her money and makes her decision based on this knowledge. The surface appearance of each is quite similar and it is difficult for the layman to distinguish the genuine from the imitation.

In the conducting of my business I have occasion to visit on the floors of hundreds of furniture retail stores. Although most retail furniture salesmen are fine, honest people, the lack of knowledge of many of them on woods and imitation woods is an appalling thing to behold. I have seen many cases of these salesmen describing furniture as "genuine walnut, mahogany, oak, cherry," etc., when it actually contains not 1 inch of these woods.



I believe that most of these misrepresentations are due to lack of knowledge and to guesswork rather than to willful intent to deceive and I believe the retail furniture salesmen of America would rejoice to have all furniture on their floor labeled as called for by this bill, clearly setting forth the wood species or other material used for the exposed surfaces.

I understand that some furniture manufacturers are opposed to this bill and as a reason for their opposition they point to the amount of work involved in having their labels and advertisements reveal the true name of the woods or other materials they are using. If these manufacturers think that this work is excessive it would be quite simple for them to use one wood in the manufacture of their product, thus eliminating this work. I might say that these manufacturers are also purchasers themselves and would certainly like to have what they are buying properly labeled in other materials such as clothing, etc. I believe the enactment of this legislation would increase the sale of furniture of all kinds because it would restore the public confidence lost by this industry through the deceptive practices which this bill would eliminate.

As I have said, I believe that both the manufacturer and retailer of furniture would benefit from this bill. But the main beneficiary would be our 50 million American families who would be able to shop for furniture without fear of deception or confusion as to what they get for their money.

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RENO, NEV., July 27, 1961.

HON. OREN HARRIS,  
*Chairman, House Interstate and Foreign Commerce Committee,*  
*Washington, D.C.*

DEAR MR. HARRIS: This is an expression of the writer's views and is based on scientific facts. It is offered as part of the testimony to be heard at the hearings on the above bills to be held on August 15, 1961.

The use of misnomers in the lumber industry and trade has become so widespread that no one except those steeped in wood names and practices in the industry know what is being offered to the unsuspecting and oftentimes gullible buyer. It is high time that something be done to curb those malpractices to protect the buyer and his rights.

First let me cite and quote botanical organization and nomenclature which should be the basis for correct identification and suppression of erroneous application of names. Departure from this basic theory of names has resulted in the present confusion regarding the identity of woods. True that many shy from using such long Latin names that seem like tongue twisters but it is as simple as this. All plant life is divided into groups known as angiosperms (hardwoods) and gymnosperms (softwoods). Under these two divisions come the trees that produce the woods used in the lumber trade.

Each group is further divided into families with certain general characteristics that automatically place them there.

Each family is further divided into genera with additional characteristics that place them in the genus of that family. In some cases as many as several hundred genera comprise a family while in some instances only one genus makes up the family.

Lastly, each genus is divided into species with some character so distinctive that they are set apart from other species, yet all have the same family and genus characteristic.

Sometimes this difference is so minor that it is insufficient to name the plant as a species and it is called a variety of a species.

Let us apply this to mahogany and the so-called Philippine mahogany.

Genuine mahogany belongs to the Meliaceae family and is placed in the genus known as *Swietenia* and the species known as *macrophylla*. It is native to the Central Americas, Mexico, and the Amazon region of northern South America and some in the West Indies. African mahogany is known as *Khaya ivorensis* and is also a member of the Meliaceae but placed in a different genus on account of different characteristics than the American-grown mahogany that is placed in the *Swietenia* genus.

The so-called Philippine mahogany is not a member of the Meliaceae but instead belongs to the Dipterocarpaceae family. The genus name is *Shorea* and the species called *negrosensis*. Besides this one species there are a dozen or more woods from the Philippines, the South Seas, East Indies, Indonesia, and Malaya that are so similar that the average person cannot tell the difference. This is where much confusion comes in as many are all thrown in together and sold

under one trade name. Does the name *Meliaceae* look like *Dipterocarpaceae* and does *Swietenia* look like *Shorea*? No. The Philippine wood is actually red lauan. Logs of it are shipped to Japan, made into plywood, shipped all over the world and to the United States in cases properly labeled "Red lauan." If the Japanese can properly label this wood why cannot the United States insist on proper designation? This is probably the most notorious and flagrant case of a misnomer and has been the case and cause of much bitter controversy and disagreement among lumber dealers and importers. There has been no wood name misrepresented, abused, and maligned in trade circles as has the name "mahogany," and fakes and substitutes are numerous.

I have worked much red lauan and have had some bitter arguments on its proper identification. I have also worked with many other kinds of wood, studied them for nearly 25 years and have a collection of over 3,000 different kinds of wood from all over the world and the United States. At present I am retired and during part of my retirement I was secretary of the International Wood Collectors Society and also edited the monthly bulletin of the society. This was one spot where I was obliged to exercise much care and accuracy in printing correct names and avoid all errors.

I have also done some repair work on furniture although my main effort and employment has been in a mill using mostly pine and fir lumber. I have repaired several pieces of the so-called teakwood furniture sold by Chinese merchants principally on the Pacific coast. This furniture is usually finished in a black enamel which can be applied to any wood hiding the true appearance of the wood. Teakwood is available in several shades of brown, its true color. It comes from India, Burma, and Pakistan and nowhere else. The botanical name is *Tectona grandis* and is a member of the *Verbenaceae*, verbena family. All of the furniture of this type that I have repaired was made out of a reddish wood that turned out to be one of the rosewoods. There are about 15 or 20 species of rosewood. These trees belong in the *Leguminosae* (pea family) and placed in the genus *Dalbergia*. Rosewood is found in India, Ceylon, and adjacent areas, Madagascar, East Indies, Africa, and South America. Does the name *Tectona* look like *Dalbergia* and does *Verbenaceae* look like *Leguminosae*? The answer is "No."

Then why should rosewood be called teakwood? Why should red lauan be called mahogany? Why should red lauan be called limed oak as some manufacturers of paneling have done. This statement per report of deceptive terms used in advertising reported by Fine Hardwoods Association.

Another much abused, misapplied and maligned name is cedar. It has been erroneously applied to any wood with a pleasing scent or aromatic odor. The most common and flagrant violation in this category is that for the well-known wood used in making cedar chests. The botanical name for this wood is *Juniperus virginiana* and is truly a juniper belonging in the *Cupressaceae* or cypress family. Likewise the so-called jort Orford cedar (*Chamaecyparis lawsoniana*) is a false cypress and belongs in the cypress family.

There are only five true cedars in the entire world, the best known of which is the cedar of Lebanon of Biblical renown and found native to Lebanon. It is a member of the pine family, *Pinaceae*, and the genus is *Cedrus*, species name is *libanati*.

There are many other cases of such erroneous naming of woods which should be stopped.

I hope this short discourse will enlighten you to the point where you can perceive the necessity of enacting H.R. 1141 and H.R. 1949 into law. You can verify the veracity of any statement I have made by consulting any reputable botanist or Dr. William Stern at the Smithsonian Institution.

Respectfully submitted.

CLAUDE R. MOWRY.

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STATEMENT ON H.R. 1141 AND H.R. 1949 BY DONALD H. GOTT, SECRETARY-MANAGER, AMERICAN WALNUT MANUFACTURERS' ASSOCIATION

On behalf of the American Walnut Manufacturers' Association, an organization of walnut lumber and veneer manufacturers, I am grateful for the opportunity to reiterate our support for the enactment of the "Decorative Hardwood or Simulated Hardwood Products Labeling Act."

Many years of experience in the hardwood industry has enabled me to observe firsthand a wide range of hardwood and imitation hardwood products and



how they are offered to the public. This experience has convinced me there is a real need for the legislation which your committee is considering.

Not only will this legislation be in the best interest of the consumer but it will also benefit the many important and ethical hardwood product manufacturers who are forced to compete with less conscientious firms who have shown no hesitancy about misrepresenting their products. It will also enable the retailer to describe honestly his furniture, paneling, and many other products.

America has a great variety of hardwoods with a wide range of valuable properties. These hardwoods do many jobs well. It is my positive belief that no wood really needs to be used or offered in a product disguised as something which it is not. Wood is our most versatile renewable raw material and to misrepresent any kind of genuine hardwood is an injustice to the wood and to the producer of the finished hardwood product.

In the broad range of consumer products made of hardwoods there exists what I believe to be an erroneous idea on the part of some manufacturers and retailers that to make certain hardwood species acceptable to the public they must be disguised or subtly represented as one of the better known and more expensive hardwoods. All furniture manufacturers do not agree with this philosophy of misrepresentation, however. Some furniture manufacturers do a satisfactory job of revealing the woods used. They have not suffered because of this practice, even though much of their competition may be less ethical. Favorable action by your committee on the legislation now being considered will definitely place all hardwood product manufacturers in the same competitive position regarding the true identification of woods and other materials used.

From the standpoint of the ultimate consumer, the need for safeguards against the ever increasing tide of substituting imitation materials for genuine hardwoods is even more urgent.

Any daily newspaper contains furniture advertisements which illustrate the kind of gross misrepresentation which is being directed at the public all over the country. The practice is so widespread and deliberate that only proper legislation can put a stop to this falsification.

The genuine hardwood manufacturers do not question the right of a manufacturer to use and type of material in his product. However, when these non-wood materials and cheaper woods are processed to imitate fine cabinetwoods and are labeled and advertised falsely by the species name of the fine cabinetwood they imitate; then there can be little doubt that misrepresentation is intended. If it is not intended, then proper identification should be acceptable.

In summary, it is believed that proper labeling will eliminate the widespread practice of misleading the public about the true composition of hardwood and imitation hardwood products. All manufacturers would be placed on an equal and straightforward basis in describing the important surface components of their products. Finally, this legislation would prove that all genuine hardwoods are useful, practical, and acceptable for a myriad of products and do not need to be presented as something other than what they are.

The members of my association join with me in respectfully soliciting your favorable action on this legislation.

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THE CONSUMER CONFERENCE OF GREATER CINCINNATI,  
July 31, 1961.

HON. OREN HARRIS,  
*Chairman, House Committee on Interstate and Foreign Commerce,*  
*Washington, D.C.*

DEAR SIR: Since I am not to be present at hearings on H.R. 1141 and H.R. 1949, may I submit my testimony in writing?

My name is Jeannette St. John and I am president of the Consumer Conference of Greater Cincinnati which was organized in 1934. It is sponsored by the School of Home Economics, Teachers College, University of Cincinnati. It is the oldest and largest consumer group in the country with a membership over 500 and representing through its active and contributing members, cooperating clubs and business firms well over 1,000 Cincinnati women. It is nationally known for its educational work and support of legislation in the interests of consumers. It supplies information on qualities, distribution, care, price, and marketing of commodities through its monthly meetings and news bulletins.

I appreciate the privilege of testifying before this committee to record the

support of our organization for the "Decorative Hardwood or Simulated Hardwood Products Labeling Act."

I have given you a brief résumé of our objective and work so that you can understand why we generally favor legislation of this type, benefiting the consumer. We particularly favor this specific bill because we believe it will successfully correct a widespread area of deceptions being practised on the consumer.

Numerous instances have been reported to us in which unsuspecting housewives have purchased articles such as furniture, television sets, etc., which were labeled and advertised by respected genuine cabinetwood species names, but which later turned out to be made of some nonwood material such as fiberboard or of a cheaper wood species merely printed or stained to imitate the appearance of the cabinet wood which they thought they were getting. Such deceptions would be very effectively stamped out by the informative labels and accurate advertising which we have always advocated, called for by this bill.

On behalf of not only our own members but of the 50 million homes throughout the country, I earnestly entreat this distinguished committee to do everything possible to see that the "Decorative Hardwood or Simulated Products Labeling Act" is passed into law at the earliest possible date.

Respectfully submitted,

JEANNETTE C. ST. JOHN  
Mrs. A. D. St. John.

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STATEMENT OF GENERAL FEDERATION OF WOMEN'S CLUBS, WASHINGTON, D.C., ON  
PROTECTION OF CONSUMER AGAINST MISBRANDING AND FALSE ADVERTISING OF  
DECORATIVE HARDWOOD OR SIMULATED HARDWOOD PRODUCTS

In the interest of the purchaser, that is the consumer, the General Federation of Women's Clubs is supporting proposed legislation which will require honest branding and advertising of decorative hardwood or simulated hardwood products.

By honest branding and advertising we mean full and complete facts about any product. We realize that at times some synthetic or simulated products are very beautiful, quite durable, and serve the purpose of the original product. However, we do not think it is an ethical practice of any business to lead people to false conclusions or to allow the consumer to come to false conclusions because full information is not displayed on the product.

It is the purchaser's right to know what he buys regardless of the fact that it may not make any difference to some specific individuals or consumers.

The clubwomen do not intend to intimate that all business concerns are dishonest nor intend to confuse or deceive the people. We know they usually are honest because many of the husbands and children of the clubwomen are in business and we know, as a general rule, they try to be honest and fair with the consumer. However, because there are occasional exceptions and a few unscrupulous people in business we see the need for legislation which will protect the consumer.

We have heard of cases where it is not the fault of the business management that the consumer is misled or uninformed. We have been told that when a salesman was asked if certain products were hardwood or simulated hardwood he answered that he "did not know."

The General Federation's concern for the consumer interests is such that we are supporting a proposal that there be a Secretary in the Cabinet whose duties and responsibilities would be to protect the consumer interests. I quote that resolution:



"U.S. DEPARTMENT OF CONSUMER INTERESTS  
"(Convention, 1955)

"Whereas the General Federation of Women's Clubs recognizes the fact that the well-being of the home and family are dependent upon consumer education and skills in buying wisely and using effectively consumer goods and services; and

"Whereas the General Federation of Women's Clubs has long been seeking a solution to the problem of the consuming public; and

"Whereas, the interests of business and of labor are protected and advanced by a Department headed by a Secretary in the Cabinet of the President of the United States, and the consuming public whose welfare is equally important to a sound economy, is not so represented and protected: Therefore

"Resolved, That the General Federation of Women's Clubs recommends the establishment of a U.S. department dedicated to the education of consumers, good management by the consumers, and protection of the interests of the consuming public, which is headed by a Secretary in the Cabinet of the President of the United States; and further

"Resolved, That such Government agencies as the Bureau of Standards, the Food and Drug Administration, Education and Inspection Services of the U.S. Department of Agriculture, the Federal Trade Commission, and Information Bureau, and other such bureaus, agencies, and boards as can render services, be contributing agencies to the proposed Department of Consumer Interests."

We urge the passage of legislation requiring proper branding and advertising of decorative hardwood or simulated hardwood products.

Mr. GATEWOOD. I would also like to submit for the record this invoice No. W-63567, dated July 26, 1961, issued by Marsh Wall Products, Inc., of Dover, Ohio, to Goulet's Plywood Mart, Morton Grove, Ill., describing "3 pieces 16 feet by one-fourth-foot random plank Italian cherry."

I also submit this sample of the material actually delivered against this invoice so that you can see it is not a good plank and it is not cherry, but merely fiberboard with an artificial printed grain. I also submit this advertising folder issued by Marsh Wall Products using such deceptive terms as "random plank, woodpanel," and the names of hardwood species, revealing at no point that the material is fiberboard.

In summary, gentlemen, the Fine Hardwoods Association respectfully urges a favorable report on this bill. We are convinced that the enactment of this legislation will put a stop to the deceptions presently being perpetrated on the American consumer and that the resultant restored public confidence will bring about a stronger and more stable industry at all levels among the products it affects.

That concludes my prepared remarks. I would be glad to endeavor to answer any questions you might have.

Mr. MACK. Without objection, the invoice referred to will be included in the record and the material and the advertisement will be included in our files.

(The invoice referred to follows:)





Mr. MACK. Any questions?

Mr. GLENN. No questions.

Mr. MACK. Thank you very much for your testimony.

At this point we will place in the record a statement of Mr. John C. Lynn, legislative director, American Farm Bureau Federation.

(The statement referred to follows:)

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BY JOHN C. LYNN,  
LEGISLATIVE DIRECTOR

We appreciate the opportunity of presenting the views of the American Farm Bureau Federation on the proposed legislation to provide for the labeling of hardwood and simulated hardwood products. The Farm Bureau has had a long-standing policy supporting proper labeling of various products offered consumers. It is our feeling that the consumer is entitled to know the contents of an article that is being purchased. This can best be accomplished through proper labeling.

Farm Bureau policies for 1961 contain the following statement on labeling:

"We insist that appropriate action be taken to require and enforce the proper labeling of foods and fibers. All products offered to the public in imitation of, or as a substitute for, or in the adulteration of, any farm products or any items processed from a farm product should be labeled to include the names and percentages of all ingredients."

For many years the Farm Bureau has supported legislation designed to provide for proper labeling of foods and fibers. For example, we actively supported the Textile Fiber Products Labeling Act which was passed several years ago.

As we understand it, the legislation under consideration would require the manufacturer of finished hardwood or simulated hardwood products to apply a label to each product indicating the name of wood used and the type of construction involved. This legislation is designed to protect consumers and others against misbranding, false advertising, and false labeling of various hardwoods and simulated hardwood products.

We believe that the provisions of H.R. 1141 and H.R. 1949 provide adequate protection to consumers of hardwoods and hardwood products and would not impose any unreasonable burden on manufacturers of these products.

We support the enactment of this legislation and hope that the committee will give early consideration to its favorable passage.

Mr. MACK. The subcommittee stands adjourned until 2 o'clock this afternoon.

(Whereupon, at 12:10 p.m., the subcommittee adjourned, to reconvene at 2 p.m., on the same date.)

AFTERNOON SESSION

Mr. MACK. The subcommittee will be in order.

I understand Mr. Jennings has requested to be heard next. Mr. Jennings is associate director of the Cooperative League of the USA.

STATEMENT OF JACK T. JENNINGS, ASSOCIATE DIRECTOR OF THE  
WASHINGTON OFFICE, COOPERATIVE LEAGUE OF THE USA

Mr. JENNINGS. Thank you, sir.

Mr. Chairman, my name is Jack T. Jennings, and I am associate director of the Washington Office of the Cooperative League of the USA. The Cooperative League has traditionally supported the interests of consumers in many fields through resolution and through legislative action. Some 14 million families are members of one or more types of cooperatives making up the membership of the Cooperative League.

Mr. Chairman, we wish to express to you and the committee our full support of H.R. 1949 and H.R. 1141 decorative Hardwood or Simulated Hardwood Products Labeling Act.

One of America's common pastimes is refinishing furniture. It is not uncommon for the present day do-it-yourselfer to tackle the job of taking the old mars and scratches off the surface of household furnishings in order to renew their appearance and extend their usefulness.

A common problem with these self-appointed furniture fixers is that too often the "hardwood grain" is a printed imitation only and disappears with the sanding. This can also happen through ordinary wear or accident. There is little to be done with furniture of this type once the surface is removed.

We strongly favor provisions in the proposed legislation which would require the information needed for consumers. Modern facilities can produce surfaces that strongly resemble expensive woods—and often they are better for particular uses. But we believe it is important for the purchaser of such imitations to know exactly what he is buying.

We commend some furniture manufacturers who voluntarily label the product on the inside of a drawer, on the underside of a table, or in an otherwise inconspicuous place, giving such information for the benefit of consumers and refinishers. We believe the industry should follow this lead in providing facts about the wood or imitation wood surfaces that make up the article. Thus the purchaser would know which are plastic, solid hardwood, hardwood plywood, hardboard or a mixture. With this knowledge, purchasers would know how to preserve the product and extend its usefulness.

We believe the legislation would clearly provide that:

1. Furniture and other wood and imitation wood products be honestly labeled and advertised, and
2. Misrepresentation in any way be punishable. We strongly support this legislation.

Mr. MACK. Mr. Hemphill.

Mr. HEMPHILL. What grassroots demand do you have for supporting this legislation?

Mr. JENNINGS. Instead of an annual meeting, we have a biennial meeting, in which the delegates of our membership make up policy as to what the cooperative legal policy will be.

Mr. HEMPHILL. I belong to some organizations and I know how the things are run. You get an executive director and he presents some resolutions, and some fellow gets recognition. I want to know about the people. What people have demanded this legislation insofar as your organization is concerned except the people at some national convention?

Mr. JENNINGS. I don't think it is necessary for an organization like ours to go back to the people on every little item, you see, that comes up in legislation, because we cannot, in a 2-year period, predict what sort of legislation will be under consideration during any given time.

Mr. HEMPHILL. You intrigue me, when you say it is not necessary to go back to the people. You sound like some bureaucrat in Washington.

Mr. JENNINGS. No, I say on every detail.



Mr. HEMPHILL. I saw here the American Farm Bureau Federation listed, which in my opinion no longer represents the farmers of America and has no interest in the best interests of this country. The reason I asked you was that I wanted to know, and I am interested. You say you have 14 million associates—or did I read that wrong?

Mr. JENNINGS. Fourteen million families.

Mr. HEMPHILL. Let's say that would be between 50 and 70 million people in this country. It is a large segment. How many of those 50 to 70 million people are interested in this legislation?

Mr. JENNINGS. I think if you were to poll each one of them, they would all be interested. But it is impossible, as you know, to poll every one of your constituents.

Mr. HEMPHILL. Have you made any poll at all?

Mr. JENNINGS. Sure we have. Over the last 2 years, since this legislation was introduced—what was it, 2 years ago?—we have been in contact with our members to know that they are genuinely interested in this.

Mr. HEMPHILL. What poll did you take, please, sir, and what was the result of the poll?

Mr. JENNINGS. We work through our cooperative membership which, in turn, works through their membership, which are individuals.

Mr. HEMPHILL. But you really didn't take any poll?

Mr. JENNINGS. No poll, not a poll as such.

Mr. HEMPHILL. But you wanted me to believe a minute ago that you did.

Mr. JENNINGS. We wrote them letters and asked them what they thought of this legislation. This is what we are authorized to present to you folks.

Mr. HEMPHILL. A few minutes ago you wanted me to believe that you did take a poll. But you have not any statistics, no poll, no total, no nothing.

Mr. JENNINGS. I did not say I had taken a poll.

Mr. HEMPHILL. The thing that bothers me is that you propose this legislation in the interest of the consumer of this country, and I am interested in it. But there is no evidence so far that the consumer either wants this legislation or would benefit by it. There is no evidence. It concerns me, because I think, whereas, I have representative responsibility, I think you do, too, if you haven't any poll, then you really don't know what the people down home think, do you?

Mr. JENNINGS. I am not so sure about that, sir.

Mr. HEMPHILL. You say you are not so sure?

Mr. JENNINGS. I am not so sure.

Mr. HEMPHILL. Well, I am sure. Thank you.

Mr. MACK. What is the Cooperative League of the United States?

Mr. JENNINGS. The Cooperative League is a national federation of consumer purchasing and service cooperatives.

Mr. MACK. In other words, that would be the cooperatives under the Farm Bureau?

Mr. JENNINGS. Some Farm Bureau cooperatives, some Grange cooperatives, some Farmers Union cooperatives. There is no license on any one particular type.

Mr. MACK. I understand.

Thank you very much, Mr. Jennings.

Mr. JENNINGS. Thank you, sir.

Mr. MACK. Next is Mr. George D. Reilly, legislative representative, AFL-CIO.

Is Mr. Reilly present?

Evidently he is not present.

Next will be Mrs. Margaret Dana, of the Consumers Relation Council, Richmond, Va.

**STATEMENT OF MRS. MARGARET DANA, INDEPENDENT CONSULTANT TO INDUSTRY AND BUSINESS ON CONSUMER ATTITUDES AND TRENDS, RICHMOND, VA.**

Mr. MACK. We are very happy to have you before the committee.

Mrs. DANA. Thank you.

Mr. Chairman and gentlemen of the committee, my name is Margaret Dana and my current address is 500 Granite Spring Road, Richmond, Va. I am an independent consultant to industry and business on consumer attitudes and trends, and also, as a public service, act as an adviser on consumer education and consumer problems for women's organizations, educational groups, and others.

A copy of my statement has been given you. I wonder if I keep to the substance, may I speak from my notes without reading this?

Mr. MACK. Yes. Without objection, the entire statement will be included at this point.

Mrs. DANA. Thank you.

(Mrs. Dana's prepared statement follows:)

**STATEMENT BY MARGARET DANA, CONSUMER RELATIONS COUNSEL**

Mr. Chairman and gentlemen of this committee, my name is Margaret Dana and my current address is 500 Granite Spring Road, Richmond, Va. I am an independent consultant to industry and business on consumer attitudes and trends, and also, as a public service, act as a adviser on consumer education and consumer problems for women's organizations, educational groups, and others.

I appreciate this opportunity to present to you what I believe to be an authentic viewpoint of consumer attitude and interest in regard to the bill, H.R. 1949. From a background of many years of intensive experience in contact with manufacturers, retailers, and consumers, I can state emphatically that this legislation aimed at accurate labeling of hardwood and simulated hardwood products is an important and urgently needed step toward both the protection of honest competition and the consumer's right to know what he is buying.

My primary concern at this time is in establishing to your satisfaction that the consumer public does need this protection. In statements by opponents at previous hearings regarding this bill, it has been stated as fact that consumers do not need it, do not want it, and would be only bewildered by factual statements. It would be interesting to know exactly how much firsthand, objective, and broad research these opponents of the bill have actually undertaken. I have found on similar occasions that their research has been limited to what they think about their wives and mothers-in-law. It is of course almost routine that whenever any business or industry is asked to do something that serves or protects consumers, management or leadership assures everyone that consumers neither want, need, nor would know how to use such a proceeding.

There is, however, a different kind of research. It rests on long hard work, but it tells the truth. For more than 25 years I have been continuously and in depth studying the changing attitudes and problems of consumers and exploring the reasons why behind these attitudes. To provide you with grounds for accepting the validity of my findings, I should like to take a minute or so to give you a quick outline of how I go about my work. Primarily my research rests



on the project plan. I select a specific area in the country which I think warrants close study. I go to live there, becoming part of the community for several years. I set up cross-section reporting panels of women, I watch and listen to women as they shop, I advise with them on their buying problems and help in setting up consumer education programs. I talk to their organizations, I get help for their problems and I answer hundreds of their consumer questions.

To verify these findings, I spot check other sections of the country in various ways. When the findings all tally, I report a trend. And that is the basis for my statement here today.

For example, the area around Greater Richmond, Va., has been my research project locality for several years. In this past year I have been in personal contact one way or another with some 3,000 consumers. I have talked to an average of four organizations a month at their invitation, and the subject invariably is "How can we buy more intelligently?"

With this much for background, I state that there is a steadily growing national dissatisfaction, distrust, and disillusionment among consumers regarding the furniture and other wood or simulated wood products they buy. I know too that this uneasy distrust holds back many consumers from buying new furniture and other items, delaying such purchases often until it is reflected at the local retail level by an unexplainable drop in sales volume.

I find too that this distrust gives rise to a consumer attitude which in effect says, "Since I can't trust anyone, and I can't tell what I'm buying, I might as well go where the prices are the lowest—and maybe I'll at least get my money's worth." This accounts for a considerable amount of the increasing patronage of discount houses everywhere.

Furthermore, I have found that consumer distrust in one field, such as wood and simulated wood products, spills over into other areas, creating a serious cynicism toward all American business, all management policies and ethics.

Please note that I am not saying that all consumers are therefore alert, suspicious, and militant. Many are still blindly trusting, ignorant, or simply silly. In fact there are just about the same proportion of fools among women as among men. But surely our social and economic standards ought to be turned to the responsible and honest, not the careless and indifferent. There are an increasing number of consumers in this country who want to perform as responsible intelligent buyers. They are not always organized, nor vocal. They do not often ask to appear before such committees as this partly because they have no way of knowing about and partly because they have not been encouraged to feel that laws to protect honest competition and consumer interests are part of their responsibility.

But when women do understand, when they do have the elements of a problem clarified for them, their response is definite, effective, and clear. I am sure Senator Hart could testify to this. When I began studying this problem of labeling hardwoods and simulated hardwoods correctly several years ago, a group of women in Virginia came to me to ask my help in setting up a study seminar specifically to explore this subject. We put together a remarkable panel consisting of manufacturers, retailers, laboratory technicians, representatives of the better business bureau and of the Federal Trade Commission. Mr. Earl Kintner, who was Chairman at the time, was kind enough to feel the occasion warranted sending me two of his most expert staff members to discuss labeling and to hear what these women thought about it.

As part of the preparation for this seminar I asked this group of women to collect advertisements from magazines and newspapers and labels from actual pieces of furniture or paneling and bring them in with statements as to whether they felt these advertisements and labels were good or bad—helpful or not. Literally hundreds of advertisements and labels and brochures were dumped on my desk. Only a microscopic percentage carried the comment "This is good." Most had sharp criticisms written across them—and, Mr. Chairman, the majority of these criticisms had to do with the failure of the advertisement or label to identify clearly and understandably what the woods or apparent woods were actually made of.

Since that time 2 years ago there has been a steady stream of question and comment coming in to me from women everywhere. The burden of their words is simply this: "We believe that a law requiring this labeling is the only practical solution, for evidently dealers are in no better position to know what things are made of than we are."

Confirming the extreme confusion of the retail marketplace is a statement made to me by a furniture retailer, whose store has had a fine reputation in his

community for many years. It was a bitter statement. I would like to believe it was not true, but the man who said it, believed it. He said: "I have been proud of a good and honest business for a long time. Today I must choose between being honest and going broke, or forgetting honesty and making a profit. Honest dealers are at the mercy of dishonest competitors today, because their customers have no way of telling what the merchandise is really made of. I say no furniture retailer can stay in business today and stay honest."

In May of this year I organized a group of important consumer representatives to attend the trade practice conference held by the FTC for the furniture industry in High Point, N.C. The consumer delegates were prepared to present their viewpoints and to make suggestions as to what would be most helpful to consumers in labeling, advertising, etc. But after listening to industry representatives, only a very few consumers were brave enough to stand up and express their views. Some of the others told me privately later that it seemed to them that the leadership of the interested industry either were wholly antagonistic to the idea of trusting consumers with information, or else just didn't want to be pinned down to telling the truth. From conferences since then with consumers I find most of them feel that while they agree that voluntary labeling like voluntary self-regulation of business is best and most desirable, there must be certain basic laws protecting both honest competition and the consumer. The law you are considering today is one of these basic laws in our opinion.

Perhaps at this point I should make it clear that no consumer I know thinks that a label telling what a thing is made of is the whole answer to intelligent buying. Consumers understand perfectly that performance is just as important. Furthermore consumers who are trying to learn to evaluate products intelligently know that it is not a question of one wood or other material being "better" or "higher quality" than another. They know that knowing what a thing is made of is only one step toward finding out which item best suits the individual herself. They can be trusted not to jump to conclusions.

There is one further and a new factor in this whole picture which is important, and may be not known to this committee. This is the fact that increasingly and in important proportions, teenagers' buying of furniture and products such as radios, etc. has become a big business. The teenage market for all goods is estimated to be around \$9 billion annually. Retailers tell me that teenagers are coming in these days, setting up their own budget accounts, selecting new furniture for their bedrooms, or buying a new desk or bookcase. Retailers tell me these youngsters hunt for labels like bloodhounds. And they ask dozens of questions about the furniture or other things they buy. They simply want to know, and they want the official assurance of a label that is clear, accurate, and trustworthy.

For those of us concerned with rebuilding our national standards of ethics and honesty, the attitudes of teenagers is vitally important. I direct a network of teenage discussion groups, and people such as J. Edgar Hoover have generously provided both encouragement and material to help these young people orient themselves in a world they distrust. Perhaps a label telling what kind of wood, or what kind of simulated wood, is used in a product seems a small thing to influence boys and girls. But I know from their talk with me that they have enormous respect for labels that stand up and tell the truth. Good labels can be good ambassadors from American industry to the consumers of the future.

My final point, Mr. Chairman, is this. We are living in a fast-moving era of change, an era of new raw materials, new products, new services. We have to evolve a dependable system for consumers to use in appraising them.

The old system of sight, touch, and price is useless. Sight can only tell what the surface appears to be; touch only if the texture is pleasant or not; and price tells nothing. Those of us who are dedicated to the idea of a responsible consumer body, believe there are three basic questions every consumer must ask of every product: What's it made of? What will it do? and Who says so? A label which the law requires, telling what a thing is made of, is the first essential step. Again, no retailer, no salesman, and certainly no consumer can be as sure and accurate in providing this as the man who made the product.

It has seemed to me in following the testimony of the previous years of hearings, as it has seemed to me when I testified for the wool products law, the fiber identification rules of the FTC which developed into the fiber identification law, and so on, that the whole matter boils down into a very simple question. Just this: Has the consumer a right to know what he is buying? I don't mean should the consumer be protected against fraud. But has he also the right to know what he is buying?



In collecting data for my files I asked this question of a number of key leaders in this country. One of these was the Attorney General of the United States. From his office has come this answer, part of which I would like to read to you.

"Certainly the purchaser has a right not to be defrauded or injured by material misrepresentations as to the nature of the goods. However, the purchaser had traditionally been required to examine, judge, and test it for himself, being bound to discover any obvious defects or imperfections."

But, Mr. Chairman, we are not talking about defects or imperfections. We are talking about hidden factors that nobody, expert or consumer, can judge or test at the point of sale. And I think the consumer has a right to know what these hidden factors are.

The answer, it seems to me, is suggested by this final sentence in my letter from the Department of Justice.

"Thus, in the light of historical development of the law in this area, any broadening of consumer rights is largely within the discretion of Congress, and as you know, the list of areas where Congress has acted with this intent is a large one."

Mr. Chairman, and gentlemen of this committee, in the name of many anxious consumers, I urge you to broaden the historic right of the consumer so as to include the right to know what he is buying, by reporting out this legislation favorably.

Mrs. DANA. I do appreciate this opportunity to present to you what I believe to be an authentic viewpoint of consumer attitude and interest in regard to the bill H.R. 1949. I appreciate immensely Mr. Hemphill's questions and his interest in the consumer approach and attitude. Consumers like to be heard.

From a background of many years of intensive experience and contact with manufacturers, retailers and consumers, I do state here emphatically that this legislation aimed at accurate labeling of hardwood and simulated hardwood products is an important and urgently needed step toward both the protection of honest competition and the consumer's right to know what he is buying. I want to bring to your attention that when we say consumer in most instances, we are talking about women, because they do 85 percent of all the consumer buying in this country.

My primary concern at this hearing is to establish to your satisfaction that the consumer public does need this protection. In statements by opponents of this bill, it has been stated very often in my hearing as a fact that consumers do not need it, do not want it, and would only be bewildered by factual information.

Frankly, gentlemen, it would be very interesting to know exactly how much first-objective and board research these opponents of the bill have actually undertaken, because I found on similar occasions that their research seems to have been limited to what they think about their wives and mothers-in-law as shoppers.

It is, of course, almost routine, as you know, that whenever any business or industry is asked to do something that serves or protects consumers, management, or leadership immediately assures everyone that consumers neither want nor need nor would know how to use such a proceeding.

There is a different kind of approach, though, a different kind of research and it rests on hard work, but it does tell you the truth. For more than 25 years I have been continuously and in depth studying the changing attitudes and problems of consumers and exploring the reasons behind these attitudes.

To provide you with grounds for accepting the validity of my findings, and I think you want validity, I would like to take just a minute to give you a quick outline of how I do go about my work.

Primarily, my research rests on what I call projects, a project plan. I select a specific area in this country which I think warrants close study. I go to live there, and I become part of the community for several years. I set up cross-section reporting units, panels of women. I watch and watch and I listen and listen to what they say as they shop and as they talk about the things they buy. I advise with them on their buying problems. I talk to them in their groups. I set up their panels to study consumer education and I answer their consumer questions, hundreds and hundreds of questions every year. To verify these findings, because this is, of course, in one area, one project, I spot check other sections of the country in various ways. When these findings all tally, then I report a trend, and that is the basis for my statement here today, a trend.

For example, the area around Greater Richmond, Va., has been my research project locality for several years. In this past year, I have been in personal contact—this is not hearsay, this isn't what somebody else told me—I have been in personal contact with more than 3,000 consumers in one way or another. I have talked to an average of four consumer organizations every single week of the year at their invitation, and invariably what they want me to talk about is, How can we buy more intelligently?

With this much as a background, I am going to state, and I am going to state just as bluntly as I possibly can, that there is a steadily growing national dissatisfaction, distrust, and disillusionment among consumers regarding the furniture and other wood or simulated wood products they buy. I know, further, which may not have occurred to you, that this uneasy distrust that they have holds back many consumers from buying new furniture and other items, delaying those purchases until often it is reported at the local retail level as an unexplainable drop in consumer buying volume.

I know, too, that this distrust gives rise to a consumer attitude which in effect says "Since I don't trust anybody or anything, I can't tell what I am buying, I might as well go where the prices are lowest. Then at least it may be I will get my money's worth."

Gentlemen, that is why we are having an enormous rise in discount shopping stores all over this country. That reaction of consumers is "If we don't know what we are buying, for heaven's sake let's pay as little as possible."

Many a retailer is fighting for his life against the discount houses.

Furthermore, I found that consumer distrust in one field—it may be wood and simulated wood products or any other, but any one field—spills over into every single area of American business, whether it is banking, insurance, professional work, whatever it is. Let them lose trust there, let them be disillusioned here, and it is all across the board. They distrust everybody.

I am not saying that all consumers, therefore, are alert and suspicious and militant. No; they are not. I almost wish they were. But the fact is that many are still blindly trusting, and they are ignorant, or simply silly. In my experience I have found there are just about as many fools among women as there are among men. But



surely, our economic and social standards ought to be tuned to the responsible and the honest, not the careless and indifferent.

There is an increasing number of consumers in this country who want to perform as responsible, intelligent consumer buyers. I have heard you say at these hearings that women do not express themselves, that you do not hear from consumers. No; you don't, not very often. There are good reasons why.

They are not always organized; they are not always vocal; they don't often ask to appear before such hearings as these, partly because they do not have any way of knowing about it and partly because they have not been encouraged to feel that they should take an active interest in this business of honest competition and the protection of the consumer.

They haven't been encouraged to. But, gentlemen, when women do understand the problem, when they do see what is involved, when they do have the elements of the problem clarified for them, their response is immediate. I think Senator Hart would bear me out on that.

Not very long ago, Senator Hart was holding hearings on packaging in supermarkets that was not accurate, with fraudulent filling and so forth. He had a gentleman before him who is a very eminent market research man, who, in answer to a question about whether consumers like and studied labels, said in his opinion, no, that the only label the American public was interested in was the label on their liquor bottles which gave the proof of that particular liquor.

Senator Hart informs me that he was flooded the following day after that testimony and onward with telephone calls, telegrams, letters, sample packages from women all over this country saying, "That is not so. We are interested in labels, and we do want honest labels."

I want to tell you about an instance that I think will interest you very much. I began studying this problem, incidentally, more than 2 years ago at the request of women. In the fall of 1959 a group of women in Virginia came to me and said they wanted to set up a study seminar to look into the business of buying furniture and wood paneling, wood products, and would I help them. I did.

We put together, I think, the most extraordinary panel to sit down and discuss with those women the things they were interested in. We had manufacturers, retailers, laboratory technicians, representatives of the Better Business Bureau, and the Federal Trade Commission.

Mr. Earl Kintner, Chairman of the Federal Trade Commission at that time, and with whom I have had the pleasure of working very closely, was kind enough to feel the occasion warranted sending me two of his finest and most expert staff members to discuss labeling and to hear what these women thought about it.

As part of the preparation for that seminar I asked this group of women, about 200, to collect advertisements from magazines and newspapers, and labels from actual pieces of furniture or paneling, or simulated wood products, and bring them in with statements to me as to whether they felt those advertisements were honest and helpful, good or bad.

Literally hundreds of advertisements and labels were dumped on my desk. Only a microscopic percentage carried written across it "this is good." Most had sharp criticisms written across them. They

were in my files for a long time. Some went to the Federal Trade Commission.

Mr. Chairman, you will be interested to know that the majority of those criticisms written across those actual advertisements had to do with the failure of the advertisements or the label to identify clearly and understandably what the woods or apparent woods were actually made of. Since that time, that is 2 years ago, there has been a steady stream of questions, comments, coming in to me from women everywhere.

I compiled a list of questions. By the time each question had been asked me several hundred times, I put it on my list.

These questions are from real women, real consumers, not made-up ones.

I want to read you these questions that came in over and over:

A. Can't the law require that facts needed by the buyer to make a satisfactory choice in furniture be disclosed on a label? For instance, can't a law make a manufacturer say whether a wood finish is solid or veneer or a composition with stain, or whatever it is?

B. When there are different materials which may look alike but have different values or different purposes and durability, can't either the law or the Federal Trade Commission insist that manufacturers label those materials by their true names?

And perhaps most disillusioning of all was the last question:

C. Is it true that advertising isn't supposed to be truthful and that the law doesn't really expect it to be? Who should we trust, then?

Confirming this, women have finally been saying to me, "We believe that a law requiring this labeling is the only practical solution, where evidently our dealers and retailers are in no better position to know what things are made of than we are."

Confirming the extreme confusion of this retail marketplace is a statement made to me by a furniture retailer whose stores had a wonderful reputation for years. It is one of the bitterest, saddest statements I ever heard from a businessman. I wish it weren't true, but he believed it when he said it to me. He said, "I have been proud of a good and honest business for a long time. But today I have to choose between being honest and going broke, and being dishonest and making a profit, because honest dealers are at the mercy of dishonest competitors today, because their customers have no earthly way of telling what the merchandise is really made of."

This is not me talking, but a man in the furniture business for many years. He said, "I say no furniture retailer can stay in business today and stay honest."

In May of this year, I organized, at the request of the Federal Trade Commission, a group of important consumer representatives to attend the trade practice conference for the furniture industry held by the FTC at High Point, N.C. They were there to express their viewpoints for the benefit of the industry and the Federal Trade Commission.

I had a group of some of our very finest women dedicated to the principle that consumers have a right to know, and that they must use that right intelligently in their mind. They had no antagonism toward the industry. They had no willful desire to make trouble. They wanted to confer, honestly.



But after listening to industry representatives only a very few of those women were brave enough to stand up and express their views. Do you know why? Some of them told me afterwards privately. It was because they felt that the leadership of the interested industries either were so wholly antagonistic to the idea of trusting consumers with information or else just did not want to be pinned down to telling the truth.

Please remember, that is women talking, the women who voted for you. It is not me talking.

From conferences since then with these consumers—

Mr. HEMPHILL. Where were those women from that voted for us?

Mrs. DANA. Virginia, North Carolina, West Virginia. I don't know if there were any from South Carolina.

Mr. HEMPHILL. I was anxious to know, because I would like to thank them.

Mrs. DANA. I will thank them next time I am in contact with them.

Most of them felt that while they preferred voluntary labeling, voluntary self regulation, it wouldn't last, but that there are basic laws required to protect both honest competition and the consumers.

I don't know if you are aware of one other point. I have heard a good many opponents of this bill mention that they go along with the Better Business Bureau's code of advertising and voluntary standards of labeling.

Gentlemen, are you aware—and I am a great supporter of the better business bureau, I think they are marvelous and doing a wonderful job, but against terrific handicaps—less than 2 percent of American businessmen are members of the better business bureau, and there isn't a bureau in this country that doesn't struggle year in and year out to get its local support, financial and moral, for the very voluntary standards that our opponents say would work beautifully if left to themselves.

I know better business bureaus are not allowed, by their policy, to come and speak before you, to record their opinions on legislation. But I know, off the record, that there isn't a manager of a better business bureau in this country who wouldn't welcome this legislation to help them out of one of the dirtiest messes that they have to deal with in their cities.

I want to make it clear, at this point, because I am sure somebody is going to bring it up, that no consumer that I know thinks that a label is some magic formula that is going to immediately tell the whole answer to their buying, so they never have to think again and all that. That is silly.

Consumers understand perfectly that performance is just as important. Furthermore, consumers who are trying to learn to evaluate products intelligently know that it is not a question of one wood or another being better or being higher quality, or one simulated wood being lesser or better. It has nothing to do with it. They know that knowing what a thing is made of is only one step toward finding out which item best suits the individual buyer, herself.

Gentlemen, you can trust most the women not to jump to conclusions.

I don't know if you happen to be aware, and it was a surprise to me when I dug into it, but there is an increasingly enormous buying market of teenagers. These teenagers are buying furniture. They

set up their own budget accounts. They go into stores to buy a desk or a new bed for their bedroom, new radio, bookcase, whatever. It is a big business. The teenage business all over is \$9 billion a year annually, that teenage market. That is big business. Retailers are telling me that these teenagers who come in these days to buy furniture and pay for it themselves are just like bloodhounds hunting for labels, and I know that it is more than a label they are hunting for. They are hunting for something they can trust. To them, a label behind which stands somebody's name and authority, is something to trust. They want to know.

A lot of us are concerned about our teenagers today. I am concerned. The attitudes of teenagers is vitally important. I don't know if you know that the drop in confidence of teenagers in American business is one of the most scandalous and dreadful things that I have come across.

Every observer knows exactly the same thing.

I am director of a network of teenage discussion groups. I work with teenagers all year round. I know that they feel they can't trust, because business wouldn't give them what can be trusted.

Perhaps to you just a label on a piece of furniture doesn't seem very big or very important. I tell you it is an awfully good ambassador to rebuild the confidence of these customers who are going to be tomorrow's adult consumers. A label they can trust is the best possible bridge between American business and the public that they will sell to.

My final point is this: We are living in a fast-moving era of change, an era of new raw materials, new products, new services. We know, people like myself, dedicated to the proposition of helping consumers buy intelligently, we know that we have to evolve some kind of dependable system for consumers to use in appraising these new products. You know, the old system of using sight and touch and price—they don't tell you anything today.

We know that the best formula to protect consumers and protect honest competition is for us to say to every consumer, "Whenever you buy, ask these three questions: What is it made of? What will it do? And who says so?"

In other words, where is the authority? The label which the law requires is to them telling what the thing is made of and it gives them the authority behind that statement.

I don't think any retailer, any salesman, and certainly no consumer, can be as sure and accurate in providing this as the man who makes the product.

It seems to me in following the testimony of the previous years, and it seemed to me when I testified for the wool products law, the fiber identification rules of the Federal Trade Commission, which developed into the fiber identification law, and so on, that this whole matter, I hope you will agree with me, boils down to just this, this one question:

Has the consumer a right to know what she is buying? I don't mean should the consumer be protected against fraud. Everybody is against that kind of sin. I mean has the consumer a right to know what she is buying.



In collecting data for my files, I took that question to a lot of people, important people, and I said, "Don't give me a lot of stuff, just answer me straight."

One of the people I took it to was the Attorney General of the United States. From his Department I got a fine letter. I want to read you a couple of sentences to wind this up, if I may. It is important.

He said:

Certainly the purchaser has a right not to be defrauded or injured by material misrepresentations as to the nature of the goods. However, the purchaser had traditionally been required to examine, judge, and test it for himself, being bound to discover any obvious defects or imperfections.

Mr. Chairman, we aren't talking about defects or imperfections, are we? We are talking about those hidden factors that nobody, expert or consumer, can judge or test at the point of sale. I think the consumer has a right to know these hidden factors.

The answer, it seems to me, is suggested by this final sentence in this same letter to me from the Attorney General's Office. I would like to read what I think suggests the consumers hope in this.

Thus, in the light of historical developments of the law in this area, any broadening of consumer rights is largely within the discretion of Congress, and as you know, the list of areas where Congress has acted with this intent is a large one.

Mr. Chairman and gentlemen of the committee, in the name of a great many anxious consumers, I do urge you to broaden the historic right of the consumer so as to include the right to know what she is buying, by reporting out this legislation favorably.

Thank you.

Mr. MACK. Thank you very much.

Are there any questions?

You operate a consultant service, is that right?

Mrs. DANA. I am a consultant, a professional consultant, to business and industry, yes.

Mr. MACK. And you appear here as a representative of your service?

Mrs. DANA. I actually appear here, Mr. Chairman, to carry to you the words of consumers who have asked me to express their opinions to you. But I don't take polls. I don't believe in them.

Mr. MACK. I just wanted the record to clearly reflect your association with the consumer relations counsel. That is not a national association, is it?

Mrs. DANA. No, and if you will notice the spelling of that, it is not council, which would mean an association. It is like a legal counsel. I am a consumer relations counsel, which makes a slight difference.

Mr. MACK. I understand that. I wanted the record to reflect it accurately, however.

Mrs. DANA. Thank you.

Mr. MACK. Thank you very much.

The next witness will be Mr. George Thompson.

**STATEMENT OF GEORGE R. THOMPSON, ASSISTANT GENERAL  
MANAGER OF THE ALGOMA PLYWOOD & VENEER CO., A DIVISION  
OF THE U.S. PLYWOOD CORP.**

Mr. MACK. You may proceed.

Mr. THOMPSON. Mr. Chairman, I have a preliminary statement I would like to present at this point.

Mr. Chairman and members of the committee, my name is George R. Thompson. I am assistant general manager of the Algoma Plywood & Veneer Co., a division of the U.S. Plywood Corp. I am appearing here in behalf of my company to support bills H.R. 1949 and H.R. 1141, the Decorative Hardwood or Simulated Hardwood Products Labeling Act.

Our company operates over 120 plywood warehouses, seven softwood plywood manufacturing plants and two hardwood plywood manufacturing plants. At our plant in Algoma, Wis., we manufacture hardwood plywood for sale in the white—with unfinished wood face—and we also produce prefinished genuine hardwood plywood.

Prefinished hardwood panels are panels with genuine hardwood face, which is the surface to be exposed, produced in our own plant to which finishing materials such as stains, fillers, lacquers or special finishes are applied in our plant to produce a finished panel.

In our Orangeburg, S.C., plant, we manufacture many types of hardwood plywood including wood-grain-printed hardwood plywood. Printed plywood is made by taking a plywood panel and printing on it an imitation of the grain of a different species of hardwood. The printed grain normally reproduced is one of the more valuable and decorative species or what is known as the cabinet hardwoods. After the grain is printed on the panels, coats of lacquer or other finishing materials are applied in a process similar to the prefinishing of unprinted hardwood panels. The printed panel is an imitation or simulation of a prefinished genuine hardwood plywood panel.

At this point I would like to state that our company labels its printed hardwood plywood panels with a disclosure of the printed grain.

During the past 10 years a serious problem of maintaining the integrity of its product has been created for the hardwood plywood manufacturing industry by the indiscriminatory and improper use of wood names on materials to which there has been applied a simulated wood grain. I have reference to simulated wood grain on wood, hardboard, plastic, paper, metal, and other materials. These materials are excellent simulations of the genuine wood grain, so that a purchaser is frequently deceived by appearance into accepting the product as genuine.

The public knows genuine wood by its color and grain appearance; seeing the imitation, the consumer, deceived by appearance, accepts the imitation as the genuine wood. The visual deception is exploited by the use of wood names on the imitation wood products.

Our company believes that the manufacturer and dealer owe the public the duty not to deceive them either overtly or by withholding information to which the public is rightfully entitled. Today many people are being misled. The public has some knowledge of the fine woods and it values these woods in its purchasing of furniture and wall paneling.



Cabinet woods are more valuable than some other woods because of the inherent quality in the wood and the beauty of the grain character of the species.

When wood grain is imitated by the application of a printed grain, then the public is rightfully entitled to be told that what he sees is not natural wood grain but a processed material made to look like genuine wood. The buyer should be allowed to decide whether he wants an imitation and, if so, to what kind of base material the imitation grain will be applied. It is our view that because of the visual deception it is necessary for an affirmative disclosure to be made so that the buyer will know what material has been used to simulate the genuine hardwood.

Through the use of our brand names and the special labels our company uses, our genuine hardwood plywood and our simulated products are identified in accordance with the proposed bill. This has long been our policy. However, we do not think it is necessary that all producers of genuine hardwood be required to label their genuine products.

Genuine hardwood plywood is fully covered by commercial standards issued by the Bureau of Standards. These have been in effect for many years and no further labeling of the genuine products would seem necessary. It is our belief that the labeling of the simulation will suffice.

The bill as drafted would appear to require that the word "simulation" be used in describing an "imitation" of wood grain. We feel that the word "simulation" would not be considered as derogatory and it is our opinion that much of this simulated material is of good quality when used for proper purposes.

We would like to suggest that it be clearly stated that only full and honest disclosure is required.

It is our opinion that enactment of this legislation is required in order to prevent deception of the public by the improper use of wood names to describe simulations of wood grain and figure. We respectfully request a favorable report on this bill by your committee.

I wish to thank you for permitting me to present my company's opinions. Since I have stated in that statement that we label our products, I would like to call your attention to the labels we use.

Here is a hardwood plywood product and it is marked "Weldwood Plywood, Algoma Made, Plain Sliced Walnut." It is genuine walnut panel.

Here is the next one, a printed grain. Our label says, "Weldwood Print Grain Plywood Walnut."

We have tried to do the very thing that this bill proposes to do. Since we label this product, and most of the simulations are labeled, it does not cost any more to put on a label that is truthful than one that is misleading.

Thank you.

Mr. MACK. Is "Weldwood" a trade name?

Mr. THOMPSON. "Weldwood" is our trade name of our products.

Mr. MACK. So they are all labeled "Weldwood"?

Mr. THOMPSON. They are all labeled "Weldwood." That is our trademark.

Mr. MACK. And you label the large sheets of plywood as you manufacture them, is that the way you do it?

Mr. THOMPSON. Yes, sir.

Mr. MACK. You would have the label on the big sheets?

Mr. THOMPSON. We put our "Weldwood" trademark on the label and we also put on the species, if it is genuine wood. If it is a print, we mark it a print.

Mr. MACK. Do you sell to furniture manufacturers?

Mr. THOMPSON. Some. We sell both to furniture manufacturers and to contractors for buildings.

Mr. MACK. Are there any questions?

Mr. Hemphill?

Mr. HEMPHILL. I was interested in your printed grain. Just what do you mean by "printed grain"? Does that mean the outside surface?

Mr. THOMPSON. It is an imitation of walnut grain.

Mr. HEMPHILL. It is the outside surface, the exposed surface?

Mr. THOMPSON. That is right, the exposed surface.

Mr. HEMPHILL. And printed grain means that you have imitated the natural walnut in some way?

Mr. THOMPSON. That is right.

Mr. HEMPHILL. Under the terms and provisions of this legislation, if the outside or exposed surface was one twenty-eighth of an inch thick, as I understand the person manufacturing or selling would have the right to say this is genuine walnut?

Mr. THOMPSON. If the exposed surface which is to be finished is genuine walnut, he has that right.

Mr. HEMPHILL. And if a person looks at it he is not advised that under the law, if enacted, all they would have to have for genuine walnut would be the exposed surface. You could have hardboard, plastic, plaster, anything else underneath.

Mr. THOMPSON. I think that is right, but you understand in hardwood plywood—

Mr. HEMPHILL. I understand. I am interested in your testimony because you have a plant in my State, though not in my district. The thing that bothers me is the fact that when we are deceiving the public as you who are proponents of the bill say certain people are doing, actually, when you look like you are giving the public some protection and you are not, you are saying genuine walnut when it is only one twenty-eighth of an inch thick, to me, and I say this in no sense of criticism, but my comparison may be profane, it is sort of like a white lie.

Your wife asks how her hat looks and you have to say it looks nice, because you are afraid to say it doesn't. That is what it looks like you are doing here.

Mr. THOMPSON. The walnut in this country is getting scarce, the same as many of our other natural resources.

Mr. HEMPHILL. Yes, we have wasted it.

Mr. THOMPSON. When you slice the veneer one twenty-eighth of an inch thick and lay this over, and the next one comes from it, you have an opportunity of matching the grain that you cannot do when you are using solid lumber. You conserve the resources. That is the idea of plywood. We have had commercial standards in existence since about 1922, right after the First World War, which provides the



standards for manufacturing plywood, with the double objective of conserving our natural resources, the valuable woods, and providing a better quality of panel than a 1-inch piece of wood would provide. Those have been in effect for many years.

Mr. HEMPHILL. I have not any criticism with the conservation effort and I have no criticism of the methods. I give you credit for the conservation. But it is something like this: You are familiar with what we call crotch mahogany, I assume.

Mr. THOMPSON. Yes, sir.

Mr. HEMPHILL. Actually, crotch mahogany is nothing but a veneer. It is very beautiful, as you probably know, when properly finished. It may be one twenty-eighth of an inch, but I think it is a little thinner than that.

Mr. THOMPSON. That is standard thickness in this country.

Mr. HEMPHILL. This is older furniture; when they made better furniture. My recollection of that is that when it was sold and whenever you have to have it repaired, they tell that this is veneer. You say you have to label your wood. You say you are going to tell the public it is genuine walnut and you have  $\frac{1}{28}$ -inch walnut. Underneath you could have gum or, well, post wood, for instance, which is not fit for anything except posts.

Mr. THOMPSON. My recommendation was on genuine plywood.

Mr. HEMPHILL. But under the terms of this particular legislation that is presently drafted, if you had one twenty-eighth inch exposed surface, because this bill does not apply to anything not exposed, you could say genuine mahogany, genuine walnut, genuine maple, and underneath you could have the worst wood on earth.

Mr. THOMPSON. The interior is not finished. You don't see it. The one twenty-eighth is adequate for the finishing and decorative values of the panel.

Mr. HEMPHILL. That is true, but we are still saying something is genuine when it is not genuine, because the American people will accept "genuine" for the same thing that I would expect when you say "solid," such as solid mahogany. When you say "solid mahogany," you expect every piece of the furniture to be mahogany.

Mr. THOMPSON. If you say "solid"; yes.

Mr. HEMPHILL. But when you say "genuine," the American public would never discern between the word "genuine" and "solid." They would expect it to be solid. It would be a deception, in my estimation, if we enacted this bill in its present form. It would be a deception not peculiarly by design, but just because the American public, and I think I know something about the American public, because they elect me or beat me, and I depend on them for opinion, would say that if you said "genuine" you meant solid.

That concerns me because we are treating with the surface. It is like somebody talking about the veneer of civilization. It is the same way in this, where we have a veneer on the surface, genuine mahogany or maple, or whatever, but down underneath the genuineness disappears and we haven't any regulation left. Would you agree with that?

Mr. THOMPSON. I am not sure I understand your question, Congressman.

Mr. HEMPHILL. Well, maybe I don't understand it either, but I think I do pretty well.

Mr. THOMPSON. But my point is that we have no objections to simulations, as long as we know what they are.

Mr. HEMPHILL. I had not dwelt on that particular part of the testimony because I don't see how you could have objection to it when you have a printed grain, which is simulated.

Mr. THOMPSON. That is right and I label it as such.

Mr. HEMPHILL. Thank you very much, sir. I think I understand what I was trying to ask you, and I am sorry you didn't understand me. I believe I understand this legislation and I am very concerned about it, if the consumer really needs it.

Mr. MACK. Mr Curtin?

Mr. CURTIN. Mr. Thompson, I think you and I are striving for the same thing and that is complete disclosure to the buying public of what it is buying. But do I understand you correctly that you feel that those purposes are achieved in, for example, plywood, if you just put a label on that says "genuine hardwood" as against another label for simulated hardwood, so the public can tell whether the surface is hardwood or plastic? Is that a full disclosure, do you think?

Mr. THOMPSON. I think that is a fair description.

Mr. CURTIN. Don't you think you should tell what kind—if it is a hardwood veneer—what kind of hardwood it is?

Mr. THOMPSON. No.

Mr. CURTIN. Don't you think that a full disclosure should say "plywood, genuine walnut veneer, one-twentieth of an inch thick," if such were the facts? Wouldn't that be a better disclosure?

Mr. THOMPSON. When you are using the term "plywood," you are using a term that has been under commercial standards for many years. It is pretty well understood what it is. As long as the surface of the wood to be finished is the thing that is being imitated and that is the only thing that is being imitated, that is the only thing that the bill must cover, so far as I can see.

Mr. CURTIN. I wish you would clarify somewhat more fully what you mean by this sentence in your statement: "However, we do not think it necessary that all producers of genuine hardwood be required to label their genuine products." What do you mean by that?

Mr. THOMPSON. If it is mahogany plywood, that has been under commercial standards for so many years that it certainly should be understood by now.

Mr. CURTIN. Suppose, for example, you have a piece of mahogany plywood.

Mr. THOMPSON. I have no objections, you understand.

Mr. CURTIN. What do you think would be an adequate label on a piece of mahogany plywood?

Mr. THOMPSON. Mahogany plywood would be an adequate label.

Mr. CURTIN. And you think there is no requirement or no need for the people to know just how thick that mahogany cover is on that plywood?

Mr. THOMPSON. No, because it is genuine wood, where the finish is applied.

Mr. CURTIN. One other question. In the bill, as I understand it, says in section 3(a), the introduction into commerce or sale, advertis-



ing or offering for sale in commerce, or the transportation or distribution in commerce, of any decorative or simulated hardwood product, which is misbranded or falsely or deceptively advertised within the meaning of this act shall be illegal, and so forth.

Under the terms of that terminology, don't you think that some person, for example, selling a desk, which has a plywood finish, merely has to say "genuine walnut" and they have met the requirements of that law without saying further that it is a veneer rather than solid?

Mr. THOMPSON. If it is genuine walnut on the exposed surfaces, I see no reason why he has to go any further than that. But if he wants to say it is plywood, I am perfectly in agreement.

Mr. CURTIN. But do you think that this law requires that there be a more complete disclosure on the label than the words "genuine walnut"?

Mr. THOMPSON. I am not very experienced in the technicalities of writing law.

Mr. CURTIN. I am not trying to trap you, sir.

Mr. THOMPSON. I think I would have to leave that to you. But any terminology that would protect the public and let him know whether he is buying a genuine product or whether he is buying an imitation is all that I am particularly interested in.

Mr. CURTIN. But you think, then, it would be adequately labeled for any such product to say that this is a veneered piece of furniture with the genuine hardwood or genuine mahogany only one twenty-eighth of an inch thick? Don't you think that would be a more fair way to do it?

Mr. THOMPSON. I cannot believe that that is entirely necessarily for the simple reason that we have been using hardwood plywood, decorative woods, for many, many years, and we haven't run into this trouble until these valuable cabinet woods have been imitated by printed grain.

Mr. CURTIN. So that your main concern, really, is to have simulated hardwood not being mistaken for genuine hardwood, whether the latter be a veneer, or a plywood?

Mr. THOMPSON. That is exactly what I feel. This is a recent development, this printed grain in various constructions. They are simulating very valuable woods.

Mr. CURTIN. Another term used in the bill says that the term "hardwood" means any timber product originating from deciduous trees which retains its natural growth structure after being converted into veneer and lumber.

Do you think that it is necessary to add those final words about "retains its natural growth structure"? Is that necessary do you think?

Mr. THOMPSON. The growth structure is not changed by cutting veneer from the wood.

Mr. CURTIN. You think, then, that those words are superfluous?

Mr. THOMPSON. I would consider that it is unnecessary, but I have been working in wood all my life. Perhaps some other people would consider it necessary.

Mr. GATEWOOD. There seems to be some confusion about one point which I would like to clarify. It would take about 30 seconds, if I may.

Mr. MACK. It would be fine, except that I would like to proceed with the list of witnesses and then see if that would be possible later.

Mr. CURTIN. Mr. Chairman, perhaps this is a suggestion as a result of my question. I would like to have it answered.

Mr. MACK. Very well. Go ahead.

Mr. GATEWOOD. This is just to get it on the record. I am Howard Gatewood, secretary of the Fine Hardwoods Association in Chicago. I testified this morning.

There seems to be some confusion on the part of some of our witnesses who perhaps have not memorized the whole bill or are not completely familiar with the contents of it.

On page 7, line 20, of H.R. 1141 you will find the requirement to reveal veneered construction is definitely a part of this bill. Section 4(b) requires that any decorative hardwood product must be labeled either by the correct common name, excepting trade names and trademarks, of the hardwood actually used for the exposed surface area of the decorative hardwood product or by the words "genuine hardwood" and any veneered exposed surfaces shall be clearly indicated by the additional words of "veneers" or "plywood."

Some of the questions have indicated that you did not understand that veneered surfaces must be clearly revealed on the label under the bill.

Mr. CURTIN. I am glad you called my attention to that section. I had not noticed that section.

Mr. GATEWOOD. Thank you.

Mr. MACK. The next witness will be Mr. Jack Miller, of the Miller Furniture Co., Wabash, Ind.

**STATEMENT OF JOHN W. MILLER, PROPRIETOR, MILLER  
FURNITURE CO., WABASH, IND.**

Mr. MILLER. Thank you, Mr. Chairman. My name is John W. Miller, partner in the Miller Furniture Co., a retail furniture business operated in my hometown of Wabash, Ind. I appear in behalf of the Decorative Hardwood or Simulated Hardwood Products Labeling Act as a retail merchant and, also, as a consumer of other manufactured products.

In fact, I have seen the value of descriptive labels on numerous products—the textiles used in clothing and on furniture, on furs and, most noticeably, of course, on food, drug, and cosmetic products. Personally, I would not use any food or drug or similar product unless I saw the label and could understand that the ingredients were not injurious.

If furniture were consumed in the same manner that food, for example, is eaten, then the demand for proper identification would be both apparent and demanded. However, it seems to me and my associates that the buyer of any piece of furniture is entitled to know whether or not he is getting a genuine or imitation exposed hardwood surface.

All of us realize that the dimensional material or the unexposed portions of most furniture need not be hardwood or even all of the same species or quality. However, the exposed surfaces which are the portions that will be seen for years and years in a home should be labeled in all fairness in order that the purchaser will not be deceived. All of us in the retail business realize that many of the plastics, compressed board material, and even metal on which have been applied



photographic printing process are difficult to detect from either the genuine solid or veneered hardwood products.

In our store we have been carrying several grades or quality of furniture and often have these pieces standing next to each other. Often a customer will select the imitation or simulated finish—perhaps because it is less expensive in most cases—but we always explain to our customers what is in that particular piece of furniture. We do this because we want to continue to build a cherished reputation of selling genuine hardwood products or quality merchandise.

For example, if an inexpensive wood is photographically printed to resemble a genuine hardwood, we know that later on a scratch or damage to the exposed surface cannot be repaired as can a scratch on a genuine hardwood.

As a proprietor of a small retail store in a small community I realize the necessity of honest representation of our merchandise at all times. Pressure sales efforts are avoided. We live practically as next door neighbors to our customers and we would not deceive them. This situation is often not true in larger cities.

It is true that there is a market for all grades of furniture. People with limited means must purchase the less expensive furniture and it will serve their purpose for years or even for a lifetime. However, they are entitled to know what kind of material they are purchasing. At the same time, there are people with the ability to buy the more expensive lines who still want the most for their money. An imitation or simulated finish should not be sold to them unless they honestly are told the reason for the lower price. These people are thinking about decorating their homes not only for the present but for their lifetime.

I also suspect that most retail salesmen honestly must admit that they too often have difficulty in distinguishing the genuine from the simulated product and, perhaps, too often in their eagerness to make a sale, will express an opinion or a guess as to the kind of material used in the piece of furniture under consideration.

Thus, if a simple identification label merely indicating that the exposed surface is "genuine" or "simulated" walnut or other hardwood were attached, then the salesman no longer would be forced to guess.

For these reasons, a labeling bill for hardwood and imitation hardwood products would be valuable as a protection to the customer against deceitful practices, and it would be a material help to retail furniture salesmen.

I might add, also, that in listening to the discussion that has taken place, when Mr. Hemphill was out of the room, at the time the legislation was read again, it was pointed out that the term "veneer" is to be used in terms of the furniture label, such as when Mr. Curtin asked the question, would it be one-twenty-seventh of an inch thick and you were to call it hardwood, I would have to agree that that would be deceitful if the word "veneer" were not used with the product.

My personal interest in this is the easiest way to sell furniture is the most profitable thing for me, and I find that when I sell a piece of furniture with a formica label or a "Never-Mar" label, that is identification of what this product is. When I sell a Kling bedroom

suite that says on its label, "Genuine Hardwood," my consumer knows that is what it is.

I think possibly there has been a misunderstanding of what this veneered label was to be on the furniture.

That completes my statement.

Mr. MACK. Mr. Hemphill?

Mr. HEMPHILL. I believe the legislation says that in the event of veneered plywood, the label would state that it had veneer or plywood.

Mr. MILLER. Are you referring to the gentleman who testified before me?

Mr. HEMPHILL. I thought you were talking about the legislation and what it provided insofar as veneer and plywood was concerned.

Mr. MILLER. No, I did not mean to imply anything about the plywood. I meant to imply that if the furniture were labeled "genuine mahogany veneer," the consumer would know that this is a veneered product and it is genuine mahogany veneer. If it is simulated mahogany, then it would mean that it was simulated mahogany.

Mr. HEMPHILL. I thought I had in mind what you were talking about. The words on page 7 of the legislation, on line 27, H.R. 1141, are—

any veneered exposed surface shall be clearly indicated by the additional word "veneer" or "plywood."

Mr. MILLER. Very good.

Mr. HEMPHILL. So that in the legislation—

Mr. MILLER. It was my understanding by your previous questioning, or you were implying from what I could get in the back of the room, that you were implying that it was just to be labeled "genuine mahogany," and if it was only one twenty-seventh inch thick, that was deceitful to the consumer, which it would be. But the word "veneer" or the word "plywood," would be something else. Plywood to anyone today means that it is a laminated surface.

Mr. HEMPHILL. I might be under some misunderstanding of the legislation. I understood that this applied only to exposed surfaces.

Mr. MILLER. That is correct.

Mr. HEMPHILL. What we are doing is taking a labeling bill and applying it only to exposed surfaces without saying what is in the rest of the furniture. We are giving the public the impression that we have something genuine, which has nothing but a genuine veneer. That is like a lady putting on paints and getting good looking and when she washes her face she doesn't look the same.

Mr. MILLER. I appreciate your situation as well as I hope you appreciate mine, but I can't help but feel you are splitting hairs. It is a plain, simple fact, as stated by the gentleman from the U.S. Plywood Co., that plywood is a terminology of laminated finish and if we label a piece of furniture with "veneer," the consumer can't help but know that he is buying a piece of veneered furniture, but it is genuine wood.

I might give you a little example. In our store we have run an ad, a copy similar to which appears on the wall here, on record cabinets. A gentleman came in to buy this and said, "This is a pretty nice piece of furniture for genuine walnut." I explained to him that it was a photograph and so forth, and he commented that he didn't expect to buy much better furniture for \$29.95.



If you show a reason why the item is worth more money and explain it to the consumer, it is better. If this label is on there, it is easier to sell.

Mr. HEMPHILL. Is my understanding in error or does the legislation say that the only time that you shall have it labeled "veneer" or "plywood" is when the veneer or the plywood is exposed?

Mr. MILLER. Correct.

Mr. HEMPHILL. So again we get back to the lady with the paint on her face. She just doesn't look the same when she washes her face.

Mr. MILLER. I appreciate your comments and I think you and I could sit here all day long and probably feel the same way about it, one way or the other. But I think you are wrong.

Mr. MACK. Are there any further questions?

Mr. Curtin?

Mr. CURTIN. With the exception of furniture made of pine and redwoods, practically all fine furniture is of hardwoods, isn't it?

Mr. MILLER. The bulk of it, yes.

Mr. CURTIN. Solid mahogany furniture or solid walnut furniture is obsolete, isn't it?

Mr. MILLER. Yes.

Mr. CURTIN. Don't you think this bill ought to include the softwoods as well as the hardwoods?

Mr. MILLER. As far as my associates are concerned in this matter, I think there is no question but what if it needs to be in the bill, it should be in the bill. As Mr. Grey stated in his opening testimony, this is a start in the right direction. There are surely bound to be things that need to be added to a bill of this nature before it can be considered satisfactory to both sides.

Mr. CURTIN. That is all, Mr. Chairman.

Mr. MACK. Thank you.

Mr. MILLER. Thank you.

Mr. MACK. The next witness will be Mr. Angus McDonald.

He is not here.

The next witness, then, will be Mr. Chester Helgran, vice president of the Kling Factories, Mayville, N.Y.

#### STATEMENT OF CHESTER HELGRAN, VICE PRESIDENT, THE KLING FACTORIES, MAYVILLE, N.Y.

Mr. HELGRAN. Mr. Chairman and members of the committee, my name is Chester Helgran, vice president and treasurer of the Kling Factories, Mayville, N.Y. We employ about 500 people in the manufacture of household furniture which is sold throughout the country by retail furniture stores. I have been active in the furniture industry for over 50 years.

I appreciate the privilege of offering my opinions on the Decorative Hardwood or Simulated Hardwood Products Labeling Act, because I am convinced that this is legislation which is badly needed to protect the public against misrepresentation and that it will at the same time improve the merchandising standards—and therefore the sales—of the entire furniture industry.

This bill provides that a simple label be affixed to each article of furniture by the manufacturer revealing the material used for the

exposed surfaces and it restrains the retailer from removing such labels. It also restricts dealers and manufacturers to the truth in their advertising. In other words, it just calls for simple honesty.

What a mountain of confusing and deceptive practices currently being perpetrated on the American consumer would be eliminated by this legislation. There can be no question of the fact that the public has lost confidence in the furniture industry. And no wonder, hundreds of thousands of American housewives have been sold furniture with printed grain as "genuine walnut, mahogany, cherry," or other fine woods and have later discovered the deception after a little wear reveals that the supposed wood grain only consisted of a layer of ink under the finish. They have been sold millions of pieces of furniture in a less expensive wood stained to resemble a more expensive wood and advertised and labeled by the more expensive wood name.

Although the Kling factories choose to make only top quality genuine fine hardwood furniture, accurately represented to our dealer customers, we recognize that there is a market and a need for less expensive furniture, also. We have no quarrel with the right of manufacturers and retailers to offer furniture made of less-expensive woods and even printed grain, as long as they are not represented to be of a hardwood species which they are not. We feel the American housewife should be enabled to pick and choose among these types of furniture but with full knowledge of which are genuine and which are imitation. The labels and accurate advertising called for by this bill would accomplish this purpose.

Incidentally, we manufacture solid wood furniture, not veneer.

The consumer will reap the greatest benefit from this legislation but it is my opinion that all elements of the furniture industry will also benefit from the restored public confidence it will bring about.

I strongly urge this distinguished committee to take favorable action on this bill.

Mr. MACK. Are there any questions?

Mr. HEMPHILL. No questions.

Mr. MACK. Thank you very much for your testimony.

Mr. HELGRAN. Thank you.

Mr. MACK. The next witness will be Mr. Webster Wright.

#### STATEMENT OF WEBSTER M. WRIGHT, FURNITURE MANUFACTURERS SALES REPRESENTATIVE, INDIANAPOLIS, IND.

Mr. WRIGHT. Mr. Mack and gentlemen, my name is Webster M. Wright, 4235 Broadway, Indianapolis, Ind.

I am pleased to have this opportunity to appear before the House Interstate and Foreign Commerce Committee to state my favorable views on the Decorative Hardwood or Simulated Hardwood Products Labeling Act.

I am now a furniture manufacturers sales representative. For 13 years I have made almost daily calls upon executives and buyers for home furnishings dealers and department stores throughout Indiana and northern Kentucky. During this period I estimate I have sold in excess of 135,000 occasional tables, desks, wood dinette sets, cabinets, fine chairs, et cetera.



From close association with these products, I have naturally learned something of the materials used in the construction and the methods used by retail dealers in marketing them.

The retail dealer customarily displays and sells furniture offering many types of surfaces. At the top of the quality range, he may show furniture having flat surfaces in genuine walnut plywood with exposed structural parts, such as the legs, in solid walnut, to use that species, for example. The next quality range may be the same as the first except that the legs and other exposed structural parts may be of gum, or some other less-expensive hardwoods, stained to resemble the walnut used on the flat surfaces. The dealer may also offer items with all exposed surfaces in less-expensive hardwoods stained to look like walnut.

Items in other categories might be made of inexpensive woods, or of nonwood materials such as fiberboard, plastic, or metal, but showing an imitation walnut grain printed on the surface.

Every one of these different types and different quality ranges of furniture might be, and currently is being, advertised and sold as "walnut," sometimes as "walnut finish," "in walnut," "walnut grain," "combination walnut," et cetera.

These terms—cherry, oak, and other types of hardwoods—falsely indicate to the consumer and even to the uninformed retail floor salesman that the furniture is, in fact, made of walnut hardwood (*Juglans nigra*), which it may or may not be.

There are reputable dealers and unethical dealers in the retail furniture business. The reputable dealer attempts to represent his furniture for exactly what it is. He attempts to restrict his sales personnel to this policy.

The closeness of surface appearance of imitations to genuine hardwood is such, however, that even ethical retail organizations often inadvertently represent them as genuine.

The unethical dealer frequently buys low-priced furniture, mostly printed or stained inexpensive woods and substitute materials, and directly or by inference sells it under genuine fine cabinet wood names. His floor salesmen, not having been informed, in some instances do not realize they are selling imitations. Printing and staining covers a multitude of sins.

It is apparent that this legislation has been proposed to correct these evils of misrepresentation. It should be compulsory that retail furniture dealers advertise and sell the exposed portions of hardwood and imitation hardwood furniture for exactly what they are.

In my opinion, the labeling and advertising sections of this legislation would insure this result and would put an end to many of the misleading statements and advertisements now being used by some manufacturers and retailers.

Certainly our ladies would not permit jewelry salesmen to sell them sterling silver service which was not plainly stamped "Sterling" and you would not accept a salesman's word for the fact that a watch you were interested in really was gold unless it was stamped "14 karat," or "10 karat," or whatever the weight happened to be.

Sterling silver is not solid silver. Ten-karat and fourteen-karat gold is not solid gold.

In view of the foregoing facts, it would appear to me that reputable furniture dealers should have the protection which this legislation would give them in the marketing of their merchandise.

All furniture manufacturers involved should be required, by the use of labels, as called for in this bill, to specify the hardwoods or imitation hardwoods used in products they manufacture.

Dealers should be restrained from removing these labels. The advertising of both the manufacturer and the dealer should be restricted to telling the truth about their products, and they should restrain them from using hardwood species names, either directly or by inference, unless the product is, in fact, made from the species referred to.

I direct your attention to the newspaper and advertising appearing on the walls around this room. I examined them for the first time this morning. Many of them have, undoubtedly, been seen by hundreds of thousands of persons among the buying public.

These ads are deceptive in that they, by flat statement, or by inference, advertise items for sale made of materials which, in fact, they are not made of. I know from long experience that the consumer is greatly confused and in many cases deceived by the practices I have mentioned.

It is my considered opinion that the provisions of this bill will successfully eliminate these practices and create a stronger and better industry deserving of the confidence of the public. After an adjustment period has passed, manufacturers and retailers alike will discover that items of similar nature will have fallen into price brackets commensurate with the materials and labor costs used in their making.

To say that a bill of this nature should not be passed because of the enforcement cost involved is like saying that butchers' and grocers' scales should not be examined periodically or that we should not have police and detective forces because of the expense to the taxpayers. This may be a crude way of putting it, but the principle is the same nevertheless.

I can add from observation that once this bill becomes law, local chambers of commerce will, themselves, become unofficial enforcement agencies because they would back up complaints of the buying public. They have already been doing this to some extent.

I respectfully suggest that this committee take favorable action on this legislation.

Mr. MACK. Thank you for your testimony.

Mr. WRIGHT. Thank you.

Mr. MACK. The next witness will be Mr. J. T. Bryan.

#### STATEMENT OF J. T. RYAN

Mr. MACK. Mr. Ryan, if you make a brief statement, we can conclude our witnesses for today. We have a quorum call on now.

Mr. RYAN. This will require probably 15 minutes to present, Mr. Chairman.

Mr. MACK. Could you conclude your testimony in about 5 to 10 minutes, Mr. Ryan?

Mr. RYAN. I believe it will take a little longer than that, Mr. Chairman.

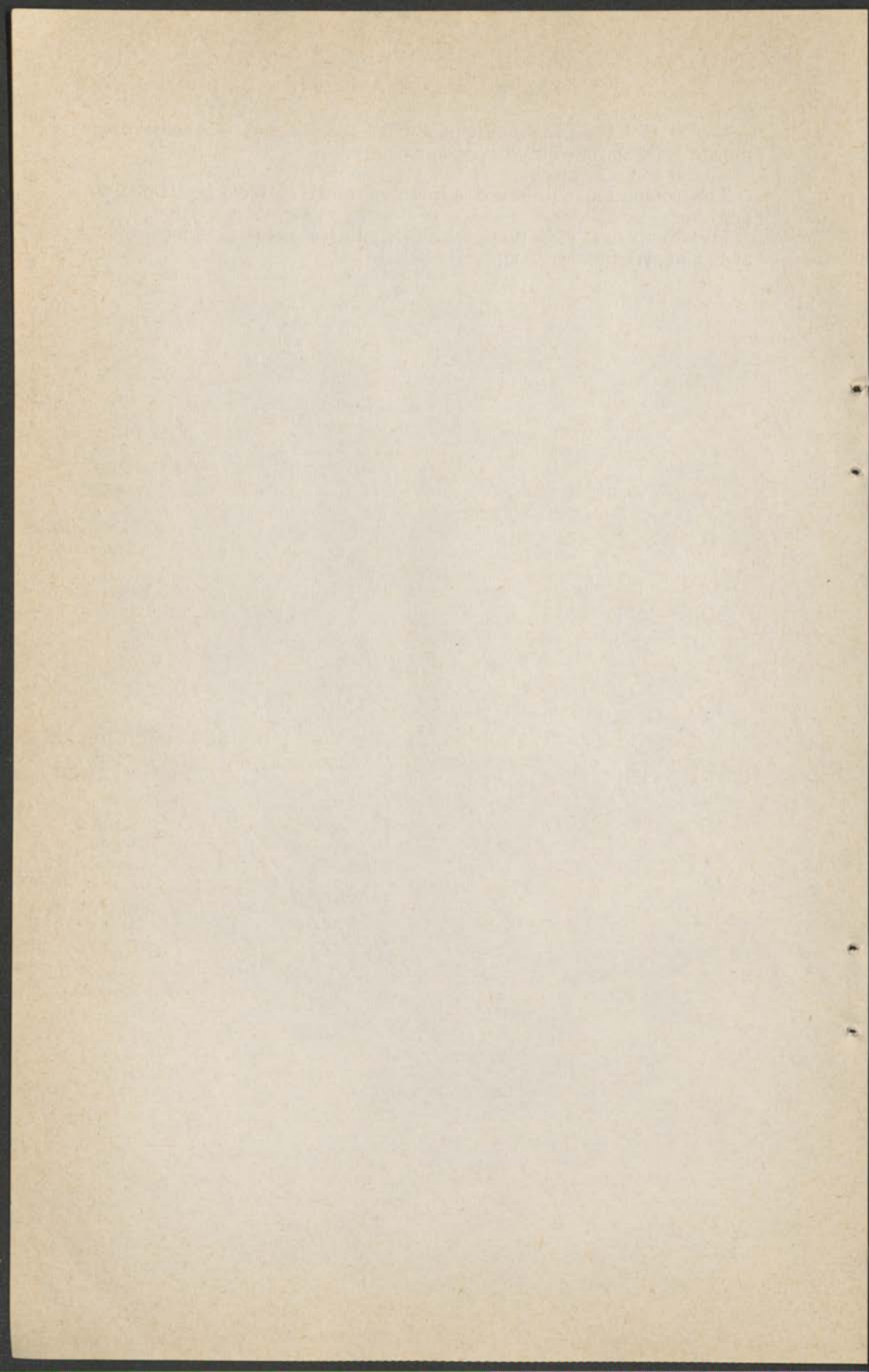


Mr. MACK. Then the gentleman will have to come back tomorrow morning, because we only have about 5 minutes.

Thank you very much.

The committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 4:45 p.m., the subcommittee recessed, to reconvene at 10 a.m., Wednesday, August 16, 1961.)





## HARDWOOD LABELING, 1961

WEDNESDAY, AUGUST 16, 1961

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON COMMERCE AND FINANCE  
OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,  
*Washington, D. C.*

The subcommittee met at 10 a.m., pursuant to recess, in room 1334, New House Office Building, Hon. Peter F. Mack, Jr., presiding.

Mr. MACK. The committee will be in order. When we adjourned yesterday, Mr. J. T. Ryan, executive vice president, Southern Manufacturers Association, was testifying.

Mr. Ryan, are you ready this morning?

I might say at the outset, I made a statement yesterday morning that these bills are similar to the bills that were in the last Congress. We held extensive hearings at that time and the hearings held in the last Congress will be made a part of the record by reference. Therefore, if any of the witnesses desire to condense their statement or file their statements and briefly explain their position, the Chair will be receptive to that proposal.

You may proceed, Mr. Ryan.

### STATEMENT OF J. T. RYAN, EXECUTIVE VICE PRESIDENT, SOUTHERN FURNITURE MANUFACTURERS' ASSOCIATION, HIGH POINT, N.C.

Mr. RYAN. Mr. Chairman and members of the committee, my name is James T. Ryan. I am appearing here today in the capacity of executive vice president of the Southern Furniture Manufacturers' Association to oppose the enactment of H.R. 1141 and H.R. 1949, the so-called Decorative Hardwood or Simulated Hardwood Products Labeling Act.

My association represents more than 260 manufacturers of furniture in 14 Southeastern and Southwestern States, whose production represents approximately 40 percent of nationwide wood and upholstered household furniture production.

In June 1960, I appeared before your committee to oppose enactment of similar bills. Most of the comments I made at that time are equally applicable today to the bills now under consideration since the basic nature and purpose of this proposed legislation has not been changed. The Southern Furniture Manufacturers' Association opposes these bills on three grounds:

First, we oppose these bills on the ground they are solely special-interest legislation. The purpose of these bills is to improve the competitive position of hardwood veneer products at the expense of competitive products.

Second, we oppose these bills on the ground the alleged evils sought to be corrected by them can be adequately handled under present laws. These bills go far beyond the correction of such evils.

Finally, we oppose these bills on the ground that the extraordinary requirement of affirmative labeling should not be extended to new areas except in case of overwhelming consumer need. Certainly there is no such need here since the proposed labeling requirement will give little or no additional meaningful information to the consumer.

I. The guiding force behind these bills is the Fine Hardwoods Association, a trade association whose members produce hardwood veneers and lumber. Mr. E. Howard Gatewood, executive vice president of the Fine Hardwoods Association, has made a number of trips to address consumer and retailer groups in an effort to obtain support for this proposed legislation.

When committee hearings have been held on similar bills in each of the last 2 years, Mr. Gatewood has always been the principal proponent of the legislation. Despite the protestation of the Fine Hardwoods Association that it is acting on behalf of the public at large, the real reasons that trade association has drafted, proposed and consistently fought for this legislation for the last few years is that these bills are designed primarily to improve the competitive position of the members of the Fine Hardwoods Association.

The harvest which the Fine Hardwoods Association hopes its members will reap if these bills are enacted can be traced to the type of labeling required by these bills. Under these bills, products which are competitive with hardwood veneers must be described as "simulated" or "imitation."

I want to emphasize that these bills would make it an unfair method of competition and an unfair and deceptive act or practice in commerce to label, for example, a plastic-topped table with a walnut-grained finish as simply "plastic."

These bills require such a label to contain the additional phrase "simulated walnut grain." In other words, these bills require products which are competitive with hardwood products to be described as "simulated," thereby implying they are inferior, while hardwood products may be described as "genuine," thereby implying they are superior.

I know of no precedent in any labeling legislation previously passed by Congress which contains a requirement which so obviously attempts to disparage one competitive producer to the advantage of another.

This unique labeling requirement presupposes that manufacturers of wood-grained finishes always copy the grain appearance of some specific hardwood species. This, however, often is not the case. The wood-grain finish may be nothing more than an artist's conception of what a pleasing grain finish should be for a specific piece of furniture. I do not know how the user of such a finish could possibly comply with these bills.

I should also like to point out that for a number of years the Fine Hardwoods Association, the Mahogany Association, and the American Walnut Manufacturers Association have encouraged the use of "genuine hardwoods" labels, "genuine mahogany" labels, and so forth. Perhaps not satisfied with the voluntary use of such labels, the Fine



Hardwoods Association now proposes, in effect, to make the use of such labels compulsory, and to require the Federal Trade Commission to make sure that such advertising of hardwood products appears on all hardwood furniture.

The special-interest nature of this proposed legislation, to my mind, is sufficient reason for rejecting these bills out of hand.

II. I would now like to turn to the argument made by the Fine Hardwoods Association as to why this legislation is necessary. This argument is based entirely on instances of affirmative misrepresentation—instances when a product has been described as something that it is not.

For example, Mr. Gatewood testified before you in 1960 that his association has no objection to substitute materials copying the appearance of wood, "but, when these imitation products have gone so far as to use also the established common names of our hardwood species in their advertisements and labels, leading the American consumer to believe he is getting genuine hardwoods instead of a fake," it is necessary for the Government to do something.

The hidden premise in this argument is that the Government is powerless to prevent such practices on the basis of legislation already on the books. This premise seems to me to be clearly incorrect. Therefore, even if it is assumed that affirmative misrepresentation in the furniture industry is as prevalent as described by Mr. Gatewood—an assumption with which I certainly do not agree—these instances of affirmative misrepresentation do not present a valid reason for the enactment of the affirmative labeling requirements of the proposed legislation.

The Federal Trade Commission Act now prohibits false and deceptive advertising in commerce. This extremely broad provision gives the Federal Trade Commission ample power to prevent affirmative misrepresentation.

For example, in the 1959 and 1960 hearing on this proposed legislation, the Fine Hardwoods Association cited numerous instances of alleged misrepresentation in the advertising of TV cabinets as illustrative of practices which could be prohibited only by the enactment of hardwood labeling legislation. Yet, on December 15, 1960, the Federal Trade Commission announced that the major television producers had signed stipulations agreeing to discontinue these practices.

The Federal Trade Commission has also suggested that the trade practice rules for the furniture industry be revised. The draft of rules prepared by the Commission staff covers much the same ground as this proposed legislation, but does not contain the special interest features of these bills. Clearly the Commission believes it has ample power under present law to prevent the misrepresentations which have been cited here.

It is also significant that the Commission in 1960, in its written comment on the earlier bills, stated "the Commission, based on presently available information, is not aware of the extent of the need for legislation of this type in the field of wood products and imitation wood products."

Mr. Gatewood has consistently testified that he is not accusing the furniture manufacturer of deceiving his customers. He has argued, however, that the deception begins at the retail level, and that the Commission cannot control this level of commerce.

However, the Federal Trade Commission Act has always applied to retailers who sell in interstate commerce; recently it has been applied to retailers who advertise in newspapers, radio, or television which cross State lines. Thus, undoubtedly most, if not all, retailers who do any newspaper advertising may at the present time become the subject of a Federal Trade Commission proceeding.

There remain the retailers who do not sell in interstate commerce or advertise in newspapers which cross State lines. It was the proposed extension of Federal Trade Commission jurisdiction to these purely intrastate retail operations that caused the Department of Commerce to oppose this legislation in 1960 and I am in basic agreement with these views.

However, even if it is decided that this extension of jurisdiction is desirable, these purely intrastate retail stores could easily be brought within the Federal Trade Commission Act without imposing any requirement of affirmative labeling at all.

The mere enactment of the substance of section 3 of the proposed bills would, of itself, extend the prohibitions against false advertising to all intrastate retailers who would be covered by the proposed legislation; the enactment of the affirmative labeling requirements contained in section 4 is not necessary to prohibit such false advertising by intrastate retailers.

Why then has section 4 been included in these proposed bills?

A person who puts his product on the market without any reference to the name of a wood species obviously is not engaging in any of the practices complained of by the Fine Hardwoods Association—yet, under section 4 he is required to label his product.

This again illustrates that the basic purpose of this bill is an attempt by the producers of hardwoods to require their competitors to label their products as inferior.

III. I have shown that the affirmative labeling provisions of these bills are not necessary to deal with the false advertising which has been cited here.

The only possible justification for the enactment of these bills is that affirmative labeling of furniture of itself is necessary to protect the consumer. In attempting to justify any compulsory labeling legislation on this basis, the proponents should be required to demonstrate the overwhelming necessity of such legislation, since affirmative labeling is an extraordinary requirement imposing substantial burdens on affected businesses and extending Federal regulation into new areas of intrastate trade and into new industries.

In the words of former Chairman Kintner, testifying in 1959 on these bills before the Senate committee, the legislative record should show "the compelling necessity for the legislation" before any such legislation should be enacted.

There has been no such demonstration here. Indeed, the disclosure of the composition of the exposed surface area of furniture would not benefit the consumer at all. Such disclosure would not assist the consumer in selecting better quality furniture over poorer quality furniture. As a matter of fact, the labeling called for by the present bills may often lead the consumer to believe that the poorer quality product is superior to the better quality product.

It is true that Congress has extended the requirement of affirmative labeling in the fields of textiles and furs. The disclosure required in



the textile area, however, relates to the basic quality of the product—its fiber composition.

In contrast, the present bills require disclosure of decorative or other aspects of a product which have practically no relationship to the inherent quality of the product.

The surface appearance or composition of the exterior surface is not a reliable indication of the quality of the product. As pointed out by the Department of Agriculture last year, "other properties than surface appearance often are of greater importance in determining the suitability of a product for a specific use."

Not uncommonly, a piece of furniture with a printed finish is of better quality than a piece of furniture with a hardwood veneer. A piece of veneered furniture may be of higher quality than a piece of solid furniture.

Properly constructed, a veneered piece of furniture is stronger and more resistant to cracking and warping; veneering also helps to conserve limited supplies of certain types of hardwoods.

The basic point is that quality is determined by such things as workmanship, quality of materials used, and the dimensional stability of the design, not by the factors required to be disclosed by these bills.

These bills relate to basically a decorative addition to furniture products. When we consider solely the question of what the consumer wants in terms of furniture decoration, I believe that the general appearance and color are the principal things she is looking for. She will want furniture that will harmonize with what furniture she already has, or that which is pleasing to her.

Of course, the decorative finish of each product will be seen by her when she enters the store. In view of the long exposure consumers have had to veneered furniture—more than 90 percent of wood furniture is now made with the use of veneer—I think it is very unrealistic to assume that the surface of furniture constitutes a representation of the underlying core. For this reason I feel that neither a printed nor a veneered finish is inherently deceptive.

It seems to me, therefore, that the information called for by these bills will not be of particular assistance in helping the consumer choose good furniture over bad. As a matter of fact, the bills as presently drafted might well cause many customers to reject a higher quality "simulated walnut" plastic table in favor of a poorer quality "genuine hardwood plywood" veneered table.

Because these bills would provide little, if any, benefit to the consumer, we feel it unreasonable to impose the burdens of these bills on the furniture industry. These bills do not provide a system of guarantees by which a furniture manufacturer (as contrasted with a retailer) could rely on the statements of the manufacturers of veneer and other raw materials, so that the hardwood producers receive all the benefits and bear none of the burdens of the proposed legislation.

Even if this were corrected by amendment, these bills would nevertheless be burdensome to the furniture industry. The American furniture industry is a highly competitive industry, composed primarily of many small companies and plants.

In 1958 there were more than 5,000 separate furniture manufacturing establishments located in practically every State in the Union. Most of these plants are small, family-type affairs employing fewer than 20 workers. Of the 5,297 plants manufacturing household furniture

of all types in 1958, 3,378, or 63.8 percent, employed fewer than 20 workers.

In an industry such as this, compliance with these bills will be a serious matter, particularly to the smaller companies.

These bills, for example, call for the retention of records of a type normally not kept: they require affirmative labeling in many cases where no labels of any kind are now used, and so forth.

It is impossible to estimate this additional cost, though in most instances, it would not be prohibitive. However, in some small operations, the employment of a single additional nonproduction employee (which might be required in order to insure compliance with these bills) could easily spell the difference between a profit and a loss.

It is also probably true that the relative cost of compliance would be greater for the smaller producer than for the larger who already has accurate control and accounting procedures in operation.

I am not suggesting that these additional costs are of themselves a sufficient reason for not enacting this legislation if it were necessary to protect the consumer. However, since these bills give little or no benefit to the consumer, I do not believe the imposition of these extra costs on the furniture industry can be justified.

In summary, we believe the enactment of these bills would principally benefit one industry at the expense of another and would not benefit the consumer or be in the public interest.

This is special-interest legislation, pure and simple, and there has not been the strong showing of overwhelming necessity which should be made before such special-interest legislation is enacted and before Federal regulation is extended to new areas. This seems particularly true here, where any problems of misrepresentation and deception which may exist in this industry can be solved under existing legislation.

We believe, therefore, that the proposed legislation should not be enacted.

This concludes my statement. Thank you.

Mr. MACK. Any questions? Mr. Hemphill.

Mr. HEMPHILL. Thank you for your statement. I am encouraged with the accusation you make on page 1. You say that this is special-interest legislation and you also say that the purpose of the bills is to improve the competitive position of hardwood veneer products at the expense of competitive products.

Are you saying there that the consumer will, therefore, suffer?

Mr. RYAN. The consumer might suffer and certainly would not be benefited because I believe that under this labeling as proposed, the labeling would be misleading to the consumer in many instances.

Mr. HEMPHILL. That has been my thought. When you put "genuine" on something, it goes far deeper in the eyes of the American public than it would look on the surface. When you speak of "genuine," you are talking about the exposed surface only?

Mr. RYAN. That is correct.

Mr. HEMPHILL. Yesterday, there was one or two witnesses who gave lipservice to the statement that the consuming public had made some demand for this legislation. As I understand it, your association is a consumer of all sorts of hardwoods, hard boards, and things of that nature?



Mr. RYAN. That is correct, sir. The final result of all of these materials reach the furniture manufacturer and he would be held responsible for the labeling and so on.

Mr. HEMPHILL. Well, some witnesses, in an effort to get around the fact that they haven't got any policies or evidence as to consumers being disturbed—do you have any policies or anything on consumer demands throughout this legislation? Have you heard any?

Mr. RYAN. No, sir.

Mr. HEMPHILL. I have not either.

Mr. RYAN. We have not and I would say today the furniture industry is producing the best products it has produced in its existence at a price which is below commodities generally. Furniture has shown less increase in price than any commodity of importance to consumers over the past 10 years.

Mr. HEMPHILL. Your plant is at High Point, N.C.?

Mr. RYAN. Yes, sir.

Mr. HEMPHILL. I pass through it oftentimes going back and forth to my home. I believe Congressman Alexander is from there.

Mr. RYAN. Yes, sir.

Mr. HEMPHILL. I want to thank you for your statement and I am waiting to be convinced that there is a consumer demand and I believe you. You brought the trouble out of sawdust pile and put your finger on it here, and I appreciate it. Thank you.

Mr. MACK. Mr. Curtin.

Mr. CURTIN. Mr. Ryan, do I understand the word "simulated" to be applied to a plastic product and the word "genuine" to be applied to a veneer product is what you particularly object to?

Mr. RYAN. Yes, sir. We object to affirmative labeling by legislation.

Mr. CURTIN. You mean you are against the whole principle of labeling or is it just certain features that are particularly objectionable to you?

Mr. RYAN. We oppose to it on all grounds.

Mr. CURTIN. Would you have any objection to a labeling provision that describes a plastic piece of furniture as "plastic surface" and on a piece of furniture with veneer surface to use the words "veneer surface"?

Mr. RYAN. Yes, sir.

Mr. CURTIN. You would object to that, too?

Mr. RYAN. Yes.

Mr. CURTIN. Why?

Mr. RYAN. We do not believe such designation is a necessary thing.

Mr. CURTIN. You do not believe what?

Mr. RYAN. We do not believe the labeling of that kind is necessary.

Mr. CURTIN. Don't you think that the general buying public is entitled to know whether the furniture that they are buying has a veneer surface or whether it has a plastic surface?

Mr. RYAN. Actually, they do know.

Mr. CURTIN. How would they know if it is not so labeled?

Mr. RYAN. The dealer knows, the manufacturer in promoting his product, if it is veneered, he says so.

Mr. CURTIN. The dealer may know, but I am thinking of the person who is buying that piece of furniture. How would he or she know?

Mr. RYAN. They could make inquiry.

Mr. CURTIN. I am sorry, I could not hear you.

Mr. RYAN. I say, they could ask.

Mr. CURTIN. Don't you think that the purchaser is entitled to know whether it is a veneered surface or a plastic surface on the furniture that he is purchasing?

Mr. RYAN. I think if he wants to know he can get that information; yes, sir. It would be true of any other product. I do not know of any other product similar to furniture that has compulsory labeling by Federal laws.

Mr. CURTIN. That is all. Thank you.

Mr. MACK. Thank you for your testimony.

Our next witness this morning is Mr. John M. Snow, executive vice president of the National Association of Furniture Manufacturers.

I might state again that we are particularly interested in receiving new testimony. If the statements this morning are similar or exact duplicates as the statements made by the witnesses 2 years ago, I think it would be well to file your statements and summarize them, rather than taking your time and the time of the committee to repeat what the witnesses have said 2 years ago. So, if you would keep that in mind, the witnesses that appear this morning, we would appreciate it.

You may proceed.

**STATEMENT OF JOHN M. SNOW, EXECUTIVE VICE PRESIDENT,  
NATIONAL ASSOCIATION OF FURNITURE MANUFACTURERS,  
CHICAGO, ILL.**

Mr. SNOW. Thank you, Mr. Chairman.

My name is John Snow. I am executive vice president of the National Association of Furniture Manufacturers. I do not have a written copy of my statement to give because I am going to try to cooperate with the committee and condense as much as I can what I have prepared to say and I would like to make some specific comments about certain things that occurred here yesterday.

Mr. MACK. Now, Mr. Snow, did you say you do not have a statement?

Mr. SNOW. I do not have a written one but I can present it to the committee within a matter of a few days after this is over, and I would be glad to do that. I would like it to be a part of the record.

Mr. MACK. Thank you for your cooperation.

Mr. SNOW. On behalf of household furniture manufacturers whom we represent, we want to go on record in opposition to this proposed legislation.

I would like to establish certain facts that are of fundamental importance to our position. The furniture industry is not guilty of misrepresentation or deception. On a completely free and voluntary basis, the furniture manufacturer is doing a commendable job of truthfully describing products.

In both the House and Senate hearings, Howard Gatewood, executive vice president of the Fine Hardwoods Association, acknowledged this when he said and I quote:

The manufacturer's products coming under this bill, furniture manufacturers, are selling to persons who are well-informed buyers and retail organizations. The manufacturer of furniture, by and large, makes no attempt to deceive the retail buyer regarding what his product is made of and probably could not get by with it if he tried.



In view of research which Mr. Gatewood has made into this problem, we bring to your attention his unsolicited opinion that the furniture manufacturers are not and could not be guilty of deception.

The furniture industry is ready to compare its record of integrity with the consumer goods industries that are currently free from national labeling legislation.

As further evidence of this, we draw your attention to the statements made by Mr. Earl Kintner, former Chairman of the Federal Trade Commission, when he testified in 1959 at the Senate hearings on similar wood labeling legislation.

Mr. Kintner said and I quote:

The Commission favors specific legislation of the type proposed only in those cases where there has been demonstrated a strong consumer need. Based on the presently available information, we are not aware of the extent of the need for this type of legislation.

By a strong consumer need, he did not mean a strong need for the fine hardwood products to protect themselves against competition from other products, but a strong consumer need must be demonstrated for it.

Isn't it strange that if this legislation was truly consumer motivated that the action for it was started by the Fine Hardwoods Association?

Yet, I daresay, that one consumer in a million does not know that the Fine Hardwoods Association exists. It seems to me that it would be quite unlikely that the consumer would be writing to the Fine Hardwoods Association indicating that there was a problem.

I think it would be much more likely to think that their problems, if they had them, would be showing up either before the Federal Trade Commission or the Better Business Bureaus throughout the country.

I was interested in some of the comments that Congressman Hemphill made yesterday about the lack of truth here and I would have to say that we have the same feeling. We have been searching pretty hard. I have a letter here from the Federal Trade Commission dated August 7, signed by a Daniel J. Murphy, Director, Bureau of Deceptive Practices.

The Honorable Elmer Hoffman, it is addressed to him because he made the inquiry.

We sought to find out what kind of cases the Federal Trade Commission had been confronted with over the past several years. It develops that they have had five cases in total and in looking at them one deals with an importer of plywood and veneer, one deals with a wood-flooring importer, it would relate to furniture manufacturers. And they have nine stipulations against the radio and TV field.

Now, I think if you look at the situation it is quite likely that we could say in all fairness that two cases against the furniture industry in 3 years is a very moderate amount and later on I would like to give you some statistics relative to the Better Business Bureau's position on it.

I think, too, that if the Federal Trade Commission felt that the situation here was so serious I would think that they would have in previous hearings, at least, made a much stronger statement on behalf of the need.

Let us look at the record and see what the proponents have offered to prove that there is a strong consumer need for hardwood labeling. They verbally suggest that the conditions preceding the wool and fur labeling were comparable to the present situation in furniture, yet, no testimony of comparative facts or statistics, no actual surveys or policies have ever been submitted. Nothing has been entered into the record to show that these two situations are actually comparable.

They merely say, in effect, I say it is so, so take my word for it and approve the legislation. In the Senate hearings, August 10 and 11, 1959, in my testimony, I asked the Fine Hardwoods Association to submit, and I put in quotes, "Documented statistics from the following cities which account for 33 $\frac{1}{3}$  percent of our industry's total volume," and the cities I asked for were New York, Los Angeles, Chicago, Detroit, Philadelphia, San Francisco, Pittsburgh, Boston, St. Louis, Cleveland, and Minneapolis.

Now, where are these facts? Could it be that the facts when they looked into them did not support this mirage created by the Fine Hardwoods Association.

Let us take a quick look at Chicago since in the previous House hearings the Fine Hardwoods Association introduced a major piece of evidence, an article entitled "Wood Descriptions Must Be Accurate," published in 1947. As a matter of fact, I think they had that on a display in the backwall.

I have gotten some information from the Chicago Better Business Bureau and it would seem to indicate that they have statistics relative to the national picture, and according to this furniture has improved its position with the public according to a booklet entitled "Truth in Advertising," a statistical analysis of Better Business Bureau activities in 1960.

In 1959, furniture was the 7th ranking industry in instances of service; in 1960, it was 10th. The order was affected slightly by separating furniture and floor covering. Furniture accounted for only 21 $\frac{1}{2}$  percent of all of the instances of services and I would like to bear down in your mind that a request for service can be either an inquiry or a complaint.

The Better Business Bureau received nearly 3 million calls in 1960 and had almost a quarter of a million instances of service. The bureau believes the statistics presented in their 1960 analysis attest to the public's reaction to the policies and practices to an industry advertising of its products and services.

To cite just four of the various other fields reported on, home improvement had over four times the instances of services as furniture; automotive had almost three times the instances of service, home appliances had about 21 $\frac{1}{2}$  times the instances of services, TV and radio sales had 50 percent more time of instances of services recorded.

Now, for the past 2 years, evidently, and this is a quote from their book, a number of bureaus have been using a special form for recording and processing consumer complaints.

It enables the bureau, they say, to quickly spot basic areas and causes of consumer dissatisfaction, thereby enabling them to more intelligently assist business in eliminating troublesome areas and problems.



Now, I took the trouble to call the Chicago Better Business Bureau and I talked to a man by the name of Ben Yugelov; one of his functions is to look after the furniture industry.

I said to him, "Would you tell me how many complaints regarding wood deception you have received?" And he said, "Well, we do not keep our complaints separately." I said, "Well, I am told that the situation today is such that it is comparable to the position of the fur industry preceding fur labeling." And I said, "Surely, if you had a situation like that, why, I should think you would have a completely separate file," and he said, "Actually, we do not."

I said, "Can't you tell me the number of cases you have had in any reasonable time?" And he said, "As a matter of fact, I can only recall one case of a furniture dealer who advertised a wood in an improper way in any recent time."

I would be likely to feel that "any recent time" might be since the beginning of this year, at least. I also talked to the head of the Chicago Better Business Bureau and I asked him much the same questions about could the situation today in wood deception be comparable with the situation in fur and he said he hardly thought there was any basis that anybody could make that comparison, that it would be difficult to figure out how to actually make the comparison, and he said that actually the Fine Hardwoods Association had asked the bureau to write a letter of full endorsement of this legislation.

Now, I am not permitted to quote the position of the Chicago Better Business Bureau. I can only say that from having sat in meetings which the Chicago Better Business Bureau has appeared before, they, I do not believe, concur with the idea that any person's products should be labeled with the adjective "simulated" or "imitated".

I think they stand for all things good in labeling. I think they feel if anything is done, it certainly ought to be done on an affirmative basis.

I took the trouble to look at the displays that were here yesterday and it does not seem to me that they have changed in any degree since the previous hearings in which we participated.

These clippings, I guess, date back to 1959 and earlier. I looked over these displays again and as I pointed out in my testimony the last time there were 11 furniture ads depicted there, 2 unidentified but 9 of them came from stores that we feel quite confident are engaged in interstate commerce.

We pointed out the last time that if the Fine Hardwoods Association was sincerely concerned with the consumers' problem in this area that this could be taken up with the Federal Trade Commission since they already have jurisdiction.

So, I think as far as the displays that they presented yesterday relative to furniture deception, this problem can already be taken care of by existing legislation.

Now, I was somewhat surprised and noted that they also included quite a number and a very sizable amount of displays relative to radio and TV cabinets, and I notice in Mr. Gatewood's statement that he depreciated in a sense the value of the stipulations issued by the Federal Trade Commission last December, and I do not think that this is exactly proper or true.

He pointed out that the fact was that this would not be really effective at the retail level. Let, in looking at one of the stipulations, and these were issued against all of the major concerns in the radio and TV field, I notice that one of the things they agree to was, and I want to quote here part B on page 2, the one I am looking at which happens to deal with the Admiral Corp. and, I hope I do not do any harm in citing them but all of the others are here.

Part B says, it will forthwith cease and desist from—

failing to attach to any such products having cabinets made of hard board or other similar material finished with a surface which simulates or has the appearance of wood in such a manner that it cannot readily be removed or of such a nature as to remain on the product until it reaches the ultimate purchaser.

Now, the Federal Trade Commission evidently feels that they have the power to do that. These companies have agreed to do it. We had some representatives visit the music show in Chicago a month or so ago. They looked quite carefully at the products that were on display there.

It is clearly evident that these companies are complying with their agreement, and I think on the basis of that you could readily rule out the whole problem of TV and radio cabinets.

Mr. HEMPHILL. May I interrupt you there? Following your line of thought, I believe the statement that they made was about December 15 or 16 of last year?

Mr. SNOW. That is right.

Mr. HEMPHILL. That means they have had a 6 month's trial period now, at least. We have heard testimony before this committee which would lead or suggest that if they had not complied there would be complaints.

Mr. SNOW. I would certainly think so.

Mr. HEMPHILL. That would seem logical to me.

Mr. SNOW. I cannot conceive that companies of that size and stature would make an agreement of this type and not sincerely try to comply with it and that it is following through, as suggested, going all of the way down to the consumer level.

Mr. HEMPHILL. According to the news item I have, it says Westinghouse and eight others have agreed to, "Disclose the true nature," of cabinet materials.

That is a little better than any of the proponents of these bills—in fact, I do not believe they want to disclose the true nature. That is my observation from the testimony.

I thank you for letting me interrupt you.

Mr. SNOW. I would like to also point out if you check previous testimony by Mr. Kintner of the Federal Trade Commission a Mr. Bray, sponsor of one of these bills, you will see that in that testimony they indicate their major concern was the radio and TV field.

If we can accept these stipulations are effective and worthwhile, then I think we can accept that the situation in that area has been reasonably cleared up.

I note that the Consumer Conference of Greater Cincinnati has submitted another statement. I have not had an opportunity to read it but I would like to say that they submitted the last time, it seemed to me, an ambiguous statement because they referred to numerous complaints.



We again cite this as a fact that there has been no substance submitted here. I noted in the Cooperative League of the United States yesterday, their testimony that they had not actually taken a policy or had no specific evidence, nor did I note that the representative of the Consumer Relations Counsel had any actual factual statistics to show that there was a strong consumer need.

Now, according to the record here, only two furniture manufacturers have testified as to the need for this legislation and as you know from Mr. Ryan's testimony, we have 4,000 or 5,000 furniture manufacturers.

The Furniture Association is represented here, I would say, dare say, cover 80 to 90 percent of the industry total volume.

One of my members yesterday testified in favor of this legislation. As far as I know, that is the only member of my association that has indicated a need and an interest on that side.

When you look at the displays that they had here, you wonder, and I don't want to be unfair to the Fine Hardwoods Association, why more current evidence was not presented here, assuming that it exists. The displays that are up here today, I notice, are all current year's evidence.

There is no hearsay here, it is here to be looked at and it relates to today. The evidence that they presented, I think, is outdated and as I indicated to you, could be covered by the Federal Trade Commission.

I think we are curious as to why they would not have gone to the Federal Trade Commission for action if they really felt that they wanted some action. Is this tangible convincing evidence of a serious national problem requiring congressional action, or is Congress and the committee supposed to, on blind faith, accept that the problem is as serious as indicated in the oral testimony?

They have introduced again a Minneapolis Star Tribune advertising report and I merely want to remind you again there is nothing in that report that refers to wood deception.

The Fine Hardwoods Association primary motivation was not due to any sincere concern over the consumer. This is a pure rationalization for enlisting the support of a popular cause. Mr. Kintner, of the Federal Trade Commission, in his testimony before the Senate committee hearing on wood labeling, had this to say:

It is special legislation; it deals with a special industry. Congress should be very careful about adopting such legislation on principle.

In another instance he said, and I quote—

If the record is made which would justify labeling, this is special legislation beyond a doubt, and I personally, if I am pressed on this point, am opposed in principle to special legislation. I think that there ought to be a demonstrated necessity for it or else the overriding principles against special legislation should prevail.

This is a valuable and important reminder to the committee from Mr. Kintner.

The Fine Hardwoods Association wants Congress to give it a competitive advantage over legitimate products by requiring them to use the sales term of "simulated" rather than allow an affirmative descrip-

tion. On page 36 of printed Senate hearings on hardwood labeling, under item 15, Howard Gatewood said, and quoted:

The hardwood industry certainly expects this bill to help their sales because we know there are thousands of instances every day in which nonhardwood products are printed to imitate hardwoods—

and so forth.

According to Mr. Kintner of the Federal Trade Commission, again from his testimony before the Senate committee, he said, and I quote—

This legislation will limit competition.

I would like to ask the committee what is the difference between hardwood and genuine hardwood, nothing except that one is a stronger, more effective selling term and the Fine Hardwoods group wants to make "genuine hardwood" mandatory, so, as Howard Gatewood says, their sales will be helped or improved by national legislation.

Let us look at this in the perspective of having Congress require the competitors use the word "simulated." Everyone in selling knows, as does the Fine Hardwood group, and apparently the Chicago Better Business Bureau, that the word "simulated" would have a very adverse reaction at the retail level. If this is not special interest legislation, why not permit an affirmative selling description? Must we assume that the average buyer is stupid?

On the one hand they tell us you can say it is a mahogany veneer and all of a sudden this has great clarity to the consumer.

On the other hand, if you say mahogany finish, all of a sudden this is deceptive and the consumer does not know what the word "finish" means but he does know apparently what the word "veneer" means.

We recognize the nature of the hardwood industry's problem but fail to see why the furniture manufacturer should be saddled with a costly complex of condemning labeling designed to help the hardwood manufacturer to sell more of their product and limit the sale of certain competitive products.

Are we against misrepresentation and deception but do not believe Congress should take it upon themselves to force a producer to label this product with a sure-death stigma of simulated for a group that is competitive?

Incidentally, the change of the use of the word "imitation" over the word "simulated" reveals, I think, a kind of curious twist in the Fine Hardwoods Association's position.

In previous hearings, Mr. Gatewood said, and I quote:

No word other than imitation would be more clearly understood by the consumer and that no other word so aptly describes the surface which has been created by photographing a genuine hardwood panel of a specific species and then reproducing that appearance by printing method on some other material or cheaper wood and then using the name of the imitated species on the label and in advertising.

Now, if this were so, why does the current bill use the word "simulated" instead of "imitation"? Could it be that it is a more sugar-coated way of getting a special interest bill passed by Congress?

It seems to me, as I felt the situation here the last time, the feeling about the special-interest nature of this bill was quite apparent and I would have a tendency to think that this is another water-gone-down process but again, still an effort to get special legislation through.



It is interesting to me, too, and I think it might be to you, Chairman Mack, to compare one aspect of Textile Fiber Products Identification Act with certain facts that apply to this proposed hardwood legislation.

In the Textile Act under rule 3, fibers, as present in amounts of 5 percent or less, the act says:

In disclosing the constituent fibers and required information, no fiber present in the amount of 5 percent or less of the total fiber weight shall be designated by its generic name or fiber trademark but shall be designated as "other fiber."

For example, if, for decorative reasons, it were possible for me to put a thin coat of less than 5-percent nylon fiber on the outer face of a fabric, I would not, by law, be permitted to include any nylon on the descriptive tag. In fact, under the way the FTC operates, I could be accused of deceiving the consumer and could be subject to prosecution if I made any claim concerning the nylon content.

Not too long ago I had occasion to send this label to the Federal Trade Commission and ask them if they would give me their opinion concerning its validity.

You will note it says in very bold broad letters, "100 Percent Nylon Pile." Now, I indicated to the Federal Trade Commission when I made the inquiry, that we knew the furniture industry had an exemption under the law but I wanted to find out whether the Federal Trade Commission would feel this was an appropriate label.

The answer that came back was that it would not.

Now, I think almost here you could substitute the words "100 percent walnut veneer" and under this law that is being proposed here, it would be accepted as legal but in this case, apparently, the Federal Trade Commission feels it is not proper labeling.

It may not be completely germane but it is interesting to note that in the production of a piece of furniture, using the veneering process, the amount of decorative hardwood veneer used on the outer surfaces constitutes far less than 5 percent of the total wood in the finished product. The proponents of the hardwood labeling law now want Congress to hold the opposite or small end of the labeling stick by asking for labeling legislation that, in many instances, would apply to a relatively minor portion of the total wood used.

It is apparent that proponents of this legislation are trying to find ways to expand the jurisdictional reach of the Federal Trade Commission beyond its present scope so they can combat certain deceptive practices that occur in retail advertising.

We think this is a safe assumption since the Fine Hardwood Association, in cooperation with the Federal Trade Commission, was instrumental in the writing of trade practice rules on the radio and television industry.

Since these rules cover wood description practices and the results obtained apparently were not satisfactory to the Fine Hardwood group, it seems evident they are seeking to establish a precedent for producer powers of endorsement for the FTC.

They are evidently doing this again despite the fact that the FTC has issued these stipulations, and as we pointed out before, we think they are moving ahead in a very effective way. We see no reason for the Federal Government to encroach further on the rights and responsibilities of the individual States.

If the objectionable practices referred to are beyond the scope of either the FTC or existing law and this we doubt, it would seem reasonable that the individual States could deal with the problem in an appropriate manner.

I think it was interesting to me in the August 8 issue of this year of the Chicago Daily Tribune to see a note, and the heading is "Wisconsin Retail Ad Control Bill Signed Into Law":

Gov. Gaylord Nelson—

I am quoting—

today signed a bill banning the use of such misleading terms as "wholesale," in retail advertising to protect consumers.

The new law prohibits misrepresentation in the names of businesses or in the advertising of merchandise by terms such as "wholesale," "factory," or "manufacture" unless such names truly represent the facts.

This is a case, I think, of a State taking action because they felt they had a problem. If the major point behind all of this is that the Federal Trade Commission lacks the power to push so-called flagrant cases of deception in retail selling and advertising, we believe the problem should be approached straightforwardly.

I might say, too, that people in our industry feel that the Federal Trade Commission has been doing a very effective job in cleaning up the total situation of deceptive advertising as a basis of the campaign that they put on.

We think that Congress should be asked to evaluate the total need and to act in accordance with its own wisdom and judgment. It should not be done on a piecemeal basis. Certainly, if deceptive retail advertising exists in furniture it is safe to say it exists in all consumer goods products. In this respect we hope Congress would give careful consideration to the "bureaucratic octopus" which would be born, not to mention the added burden.

We believe that there is sufficient legislation already on the books to deal with most, if not all, of the fraud, misrepresentation, and deception suggested here. I would think that in view of corrective action taken by the FTC in their stipulations against radio, TV, and the hi-fi field that it would give you cause to question whether an initial cost for this legislation of a half million dollars is justified.

Mr. Kintner testified at our last hearing that this would be the possible cost. He actually said:

Initially, we would need \$500,000 and this only until we could determine on the basis of experience what the program would cost. It would take \$500,000 to set up initially the rules and regulations and get some experience with respect to cost of operations in the future.

He also indicated it would take 50 to 60 employees and then finally said 75 in all categories and that is the end of his statement.

I say to you, does the record justify Congress thinking probably in terms of a half million or a million dollars or more in light of the developments that have gone on here? We feel sure that the consumer cannot be given a complete technical education by way of an order label. She is probably more interested or as much interested in the durability of the product as she is in the description of it.

In the case of furniture we see no indication that a large majority of consumers either want or have demanded the type of labeling proposed.



We conclude by repeating that the proponents of this legislation have voluntarily stated that the furniture manufacturer is not guilty of deception. We believe the problem should be evaluated in the light that in our industry there are 60 million retail furniture transactions a year as against any official record of deception and not against the product assumption that all transactions are deceptive.

I think, Chairman Mack, you will have to agree if the Better Business Bureau in Chicago has one case. Chicago, as you know, is a highly important trading area. It covers a very broad scope of our products and I would venture to say that there must be between 2½ and 3 million transactions in retail furniture a year in our city.

If, on the record presented here by the proponents, the scope of the deception in furniture warrants a national labeling law, that, indeed, a strong consumer need has been proven, then we suggest that in the interest of being fair you would be required to enact a labeling law applying to all consumer goods products.

Thank you. That concludes my statement.

Mr. MACK. Mr. Dingell.

Mr. DINGELL. Very briefly, sir, I note several sections in this bill which have given me concern. I wonder if you would like to comment briefly.

Mr. SNOW. I would like to say I am not a furniture technician as such. Mr. Ryan, who preceded me, is the dean of our industry and is much better versed in the actual production methods and techniques than I would be.

Mr. DINGELL. Have you looked over H.R. 1141 by Mr. Bray?

Mr. SNOW. Yes, I have.

Mr. DINGELL. Let us take page 2 first of all, line 9, subsection D. The term "decorative hardwood" shall mean—

hardwood veneer, plywood, flooring, and lumber, the wood face of which has been varnished, shellacked, lacquered, stained, or otherwise finished to display the natural wood grain, figure, or growth character.

Now, does this section absolutely preclude mislabeling of hardwoods to prevent labeling one hardwood as to another hardwood?

Mr. SNOW. I do not think I follow your question.

Mr. DINGELL. Let us say this. Under D on page 2, and also under B on line 7, or rather, page 7, line 20, and at the top of page 8: is it possible for me, let us say, to label one hardwood veneer and another hardwood veneer?

Mr. SNOW. Is it possible?

Mr. DINGELL. Yes.

Mr. SNOW. I think it is always possible for a crime of one type or another to be committed, yes.

Mr. DINGELL. Under the bill, can't I lawfully label one hardwood as another hardwood veneer under this by the simple device of just saying "genuine hardwood veneer"?

Mr. SNOW. Well, if you use the term "genuine hardwood veneer" you can cover the whole field of wood when you use that term.

Mr. DINGELL. Then this bill does not extend any protection to the consumer at all? Actually, he might think he is getting mahogany under another name or he might think he is getting cherry under some other name, while the substance of the wood is actually something else?

Mr. SNOW. I think if you use the term "genuine hardwood" you are not being specifically descriptive. That is my thought that that possibility was being allowed here. I think from the point of view of the consumer that we are presupposing many times that the consumer has a vast knowledge about the relative durability and features of different kinds of wood but I do not think that actually exists either.

Mr. DINGELL. As a matter of fact, under the language on page 8, line 9, "genuine hardwood veneer," for plywood construction, I could take and simulate one wood and finish on another wood and could, in a sense, deceive the consumer who was buying the commodity into thinking that he might be getting, let us say, cherry when he was actually getting some other cheaper wood?

Mr. SNOW. That is assuming that the consumer has a knowledge of the true grain characteristics of one wood as against another, and this is very questionable, and that is assuming that the consumer believes that perhaps one wood has only one type of finish and this is not true, either.

Mr. DINGELL. Thank you.

Mr. MACK. Any questions, Mr. Curtin?

Mr. CURTIN. Mr. Snow, are you against this Labeling Act in general or some particular provision of it?

Mr. SNOW. Our attitude would be this—that enactment of a law which is publicly announced would, by inference at least, refer to the public that we have been flagrantly deceptive and we do not agree we have been deceptive and we do not think there is any testimony to prove that point.

Mr. CURTIN. You are against this Labeling Act in general?

Mr. SNOW. Yes; I am.

Mr. CURTIN. Do you not think a Labeling Act might be beneficial which said merely that a certain piece of furniture was veneer surfaced and another piece of furniture was labeled as "plastic surface"?

Mr. SNOW. Well, that again is assuming that the consumer has a knowledge which we are not actually sure that they have because the proponents of this bill, say on one hand, put the word "veneer" in because the consumer will understand it and then on the other hand, they think you have to say it is simulated mahogany when you use the word "finish." To me, this is confusing. I do not see the consistency of the argument.

Mr. CURTIN. You do not think it necessary to label it in any way?

Mr. SNOW. My position would be that in a voluntary way we feel that furniture industry is doing a very satisfactory job and we would feel too that if we were not, our dealers certainly would be taking a better referendum of the consumer interest and needs, and that they would be conveying to us if our labeling was not adequate.

We do not get that kind of referendum and I think with 60 million transactions a year we probably have a better feel of the pulse of the problem than anybody else in the country.

Mr. CURTIN. That is all.

Mr. MACK. Mr. Glenn.

Mr. GLENN. No questions.

Mr. MACK. Our next witness is Mr. Robert C. Keck, legal counsel for American Hardboard Association. Mr. Keck.



STATEMENT OF ROBERT C. KECK, ON BEHALF OF THE AMERICAN  
HARDBOARD ASSOCIATION, CHICAGO, ILL.

Mr. KECK. I am Robert C. Keck of Chicago. I appear on behalf of the American Hardboard Association, 205 West Wacker Drive, Chicago, Ill., an association of hardboard manufacturers, in opposition to the decorative hardwood and simulated hardwood products labeling bills, H.R. 1141 and H.R. 1949.

This is the 35th anniversary year of hardboard as an American invention of a lumberman of a way to use sawmill slab waste and edgings in lumber mills around Laurel, Miss.

I emphasize that Mr. Mason and his associates were "lumbermen" concerned with lumber and wood products, for that has been the story of hardboard and its producers to this day.

Hardboard is a dramatic improvement on nature's way of making wood. It is made in an ingenious manufacturing process in which the desirable qualities of the wood are accentuated, the undesirable tendencies are eliminated, and new desirable characteristics are added.

The resulting product is a wide, thin, hardwood panel material, that is actually good wood made better, having greater utility. It is rearranged wood, being made only from treewood of both hardwood and softwood species.

For over 30 years, hardboard has been advertised and sold as wood made better that will not split, splinter, or crack. I dwell on the nature of hardboard because of obvious misconceptions about it held by proponents of the pending bills.

I call the committee's attention to the fact that what consumers know and are constantly being told about hardboard is visually represented in the panels in the hearing room this morning.

We invite the committee to examine them. The Marlite panel on the wall to your left, which is an all-wood panel of Marlite, contains typical advertisements of that fine product appearing in the women's magazines as well as trade journals, organizations, et cetera, throughout the country.

Panels 1 and 2, on your left, and 3 in the rear, contain literally hundreds of representative newspaper and magazine stories about hardboard appearing in the last year in media from coast to coast and border to border.

They illustrate what hardboard is, that it is a good product, that it is commonly wood-grained and that it is an excellent material for paneling, remodeling furniture, and the like.

Panel 5 is a display of unsolicited furniture ads in leading cities across the country in which hardboard is advertised.

The hardboard industry is proud of its products and of the ever greater part they play in furniture, cabinetry, wall paneling, and even floor covering, that would be affected by this legislation. It does not condone misrepresentation or deception regarding the products in which hardboard is used.

On the other hand, it is opposed to this special legislation for the benefit of the few, and as representing a dangerous and unnecessary invasion of private enterprise.

The far-reaching effects of these bills can be appreciated when it is realized that conservatively they would control and affect at least

100 million sales transactions a year; 60 million furniture sales; about 8 million radio and television sales; and an estimated 32 million sales annually of wall paneling, partitions, ceiling paneling, floor covering, doors, prebuilt cabinets, pianos, organs, violins, jukeboxes, and other musical instruments and the other products involved.

A new brigade of FTC investigators would be required to police the products regulated.

Specifically, the hardboard industry is opposed to these bills, and to the vast, new regulatory scheme envisaged, for several basic reasons:

A. These bills are a form of special legislation aimed at protecting the producers of hardwood veneer against competition from other materials and finishes used in furniture, wall and ceiling paneling, floor covering, and the other products covered. This fact is not denied:

An executive of that veneer group recently told a Senate committee and also this committee, in hearings on similar legislation, that:

The hardwood industry certainly expects this bill to help their sales \* \* \* (S. Rept. 36; H. Rept. 168).

The furniture industry trade press has stated:

These are bills to promote a competitive advantage for a supplier group at the expense of the furniture industry, and not for the protection of the customer as the preamble indicates. We are the customers, and the proponents of the bills want to regulate our buying and do so by requiring us to label our products \* \* \*. The ultimate consumer, Mrs. America, doesn't demand lumber in her furniture from the XYZ Lumber Co. or veneer plant. She wants, demands, buys Baker, Tomlinson, Kroehler, Drexel, Heritage, Baumritter, et cetera, and not some integral part of the whole.

A former Federal Trade Commission chairman, in his 1959 testimony regarding Senate versions of these same bills, characterized them as:

\* \* \* special legislation beyond a doubt \* \* \*

\* \* \* it is special legislation. It deals with a special industry, and in those instances I think the Congress should be very careful about adopting such legislation on principle (S. Rept. 19-20).

This same special interest conclusion was apparent in proponents' testimony in this committee's June 1960 hearings. Wanting other materials labeled, one said:

We do not believe that it is essential for the act to provide for labeling of decorative hardwood products made of genuine hardwoods.

Another said:

We do not think it is necessary that all producers of genuine hardwood be required to label their products.

Yesterday, a proponent insisted upon "actual and honest disclosure" and at the same time testified:

We do not think it necessary that all producers of genuine hardwood be required to label their genuine products.

Each of these diverse interests reached the same conclusion of special interest legislation undoubtedly because of the highly unusual and discriminating features of the bills, to which we take exception.

1. The bills deal only with hardwood. They leave uncovered the softwoods that are used extensively in decorative wood products.

Confusion and deception of the buying public may be quite as fraudulent or unfair with respect to softwood products as in the case



of hardwoods. The Federal Trade Commission so believes (1960 hearings, reprint, p. 70). Both hardwood and softwood grain patterns are commonly simulated for decorative purposes.

Softwoods in common use include cyprus, pine, redwood, yew, hemlock, cedar, fir, ponderosa, spruce, and others. There is no demonstrated need for a distinction of requiring labeling of hardwood items and items that simulate hardwoods, and not applying the same labeling requirements to decorative softwood products and their imitations.

Proponents say that the bills omit softwoods because a substantial majority of the softwood people do not want to be included—a reason having little or no persuasiveness in determining whether there is a sound distinction between softwoods and hardwoods.

Neither logic nor experience supports such a distinction, particularly where the line of distinction between whether a particular tree should be classified as a hardwood or a softwood and also whether a particular simulation is a simulation of a hardwood species and not a softwood species often involve controversies difficult to resolve.

2. The bills would illogically require that simulation products be labeled not only what they are but also the particular species of hardwood simulated.

Such a double-barreled mandatory labeling requirement not only finds no counterpart in existing labeling laws (that require only labeling of what the product is), but leads to an impossibility of proving in many cases that the particular simulated grain, figure, or growth characteristics are of a specific species of hardwood.

This follows from the fact that every single piece of hardwood veneer is unique and different, and there are hundreds of different hardwood species—not just walnut, mahogany, and cherry.

3. Moreover, the bills do not consistently apply even that test alike to hardwoods and to other materials.

Today, over 90 percent of wood furniture and paneling is said to be made from plywood. The top surface hardwood veneer is but one sixty-fourth of an inch or one twenty-eighth of an inch thick covering other plies of much less valuable hardwoods, softwoods, or other materials.

Typical furniture core construction are shown on panel 6 at the rear of the hearing room. There are at least 695 species of hardwoods of widely varying quality and value. (Department of Agriculture, Pub. No. 217, January 1936, p. 3.)

Despite these facts, these bills do not require any labeling or product identification when there is a top paper-thin layer of hardwood other than "genuine hardwood veneer" or "plywood." Thus, if the bills were enacted as written, the law itself might well impose a species of deception upon the public, in misleading the purchaser into the erroneous belief that the product or even parts of it are all hardwood when in fact the undisclosed wood plies contained little or no hardwood excepting the thin layer covering the outer surface.

Moreover, to label hardwood veneers simply "genuine hardwood" or even "genuine hardwood veneers" is of no value in informing the public even what surface wood they are getting for their money, let alone the underlying layers. Certainly, the public should be told that a gum, maple, or aspen veneer and not a walnut or mahogany one is involved, and that the underlying plies are of other species or materials, when that is the fact.

In fact, in view of questioning yesterday, it is obvious this fact is an "Achilles heel" of the proponents of this special-interest legislation.

Why isn't the public to be told by label what is under the  $\frac{1}{28}$ -inch-thick veneer of hardwood.

4. The bills apply the regulatory labeling yoke only skindeep when the proponents'  $\frac{1}{64}$ - to  $\frac{1}{28}$ -inch-thick hardwood veneer is involved, but all the way down into the underlying materials when competitive materials are involved.

In practical effect, the veneer people would be freed from labeling their underlying materials, other than "genuine" while their competitors would have to identify by labeling their underlying materials.

This double standard means that, on the one hand, if the surface is a material other than hardwood veneer or solid hardwood that surface and the underlying materials must be labeled not only what they are but also the hardwood species simulated, even though the simulation finish is on a plastic or high-pressure laminate cover and, on the other, if the top surface is one sixty-fourth of an inch of hardwood veneer, other underlying materials need not be identified even though in trade usage we are told they may carry the name of the surface veneer, and the surface need only be called a genuine hardwood veneer.

Such veneration of hardwood veneers—even those such as aspen and gum—would, of course, be the rankest hypocrisy.

5. The bills, by legislative fiat, would downgrade all competitive materials containing simulated wood grain finishes, by requiring them to be labeled "simulated," and permit all hardwood veneers (which are themselves but decorative finishes applied to feign that the entire assembly is better than it is) is to be called genuine, a practice finding no counterparts in prior labeling statutes.

We appreciate that the word "simulated" is less odious than "imitation" that appeared in prior bills, especially in light of the proponents' testimony to this committee last year that:

No other word is quite so expressive or conveys to the consumer the truth of the matter as well as "imitation."

In their testimony yesterday proponents again used the words "imitation" and "fake." We, nevertheless, strenuously object to part of a class being called "simulated" and a part "genuine" when the distinction is not valid. Perhaps this terminology change was prompted by the vulnerability of the veneer people to an imitation of solid wood by placing their playing-card-thin sheet over a base core, as was pointed out by the Federal Trade Commission in the 1960 hearings, and also yesterday's testimony.

6. Underlying these bills is the erroneous assumption that all simulated hardwood grain or pattern finishes, now commonly seen on hundreds of products, from station wagons, cash registers, and restaurant tables to picnic plates, wallpaper and matchbook covers, are intended to palm off such products as hardwood.

On the contrary, simulated wood grain finishes are so widely used today on so many products simply because they provide a warm, attractive finish or color to blend in with other furnishings and not to imitate veneer, which itself is but a small, playing-card-thin sample of the solid wood of that species.



I particularly call your attention to panel 7 on your right where we exhibit representative articles given a wood grain finish, asphalt floor tiles, cigarette boxes, gypsum board, and so forth.

These bills would ignore the common descriptions given in advertising, pointing out that simulated wood grain finishes are only finishes or colors, or are improved, durable, plastic finishes.

In this respect, these bills misconceive the intelligence of the American people. They would have the Government enter the competitive fray of materials one sidedly for the benefit of the hardwood veneers, protecting customers paternalistically whom the proponents believe cannot or will not read.

The basic philosophy of this type of legislation can only lead to innumerable other labeling bills for marble, flowers, rubber, tobacco, and innumerable other decorative and other articles that are commonly simulated.

These six reasons illustrate the special-interest features that are characteristic of the pending bills, of discriminating in favor of decorative hardwood veneers and against all competitive materials.

The chief beneficiaries of these bills openly stated as late as yesterday that it would be meaningless to the consumer to know what is underneath a layer of the 1/64- to 1/28-inch-thick top veneer on furniture, wall coverings, et cetera, even when the underlying material is a competitive material, but that where such a veneer is absent the consumer must by law be told by labels what is underneath.

Quite obviously, to the extent these bills are consumer oriented, if there is to be any mandatory labeling of decorative hardwood products, then all should be made to disclose the true composition of the underneath layer in a nondiscriminatory manner.

Where such a top surface veneer may be as little as 2 or 3 percent by weight or volume of the furniture or wall panel top or assembly, the presence of that 2 or 3 percent, pretending by decorative appearance that the other 97 to 98 percent is of the same material, should not preclude the consumer being given the facts.

If we are to have labeling, let it be fair and impartial labeling as to all materials.

But the discriminatory labeling features of the bill brought about by the special-interest character of the legislation are not its only infirmities:

B. The bill omits important features needed to insure effective enforcement.

1. Unlike earlier bills, these bills omit entirely any provision for a wood products name guide, that would provide a reliable guide for manufacturers for correct terminology.

What standards is the Federal Trade Commission to apply?

2. The pending bills similarly omit any requirement for correct name disclosure in invoices.

This omission, the Federal Trade Commission has made clear, weakens the bills and makes their enforcement more difficult.

This omission is particularly ironic in light of the proponent's continued misrepresentation in prior hearings of the facts concerning supposed invoices of a plastic-coated hardboard product known as Marlite, which the committee now knows were but packing slips.

The true facts on those particular invoices afforded a means, and an important means, whereby an honest merchant could protect himself with respect to questioned labels.

C. Where, as here, the proposal is patently special legislation, that would create a vast, new, and exceedingly expensive bureaucracy to enforce, it can be justified only by the most compelling need to protect the consuming public.

As a former Commission Chairman put it:

\*\*\* the Commission favors specific labeling legislation of the type proposed only in those areas where there has been demonstrated a strong consumer need. Based on presently available information, we are not aware of the extent of the need for this type of legislation.

D. These bills would fallaciously classify hardboard as a "nonwood" material, the competitive consequences of which can be most serious for hardboard.

They seek to accomplish this by referring to hardboard as "fiber-board," and then by listing it as other than "wood" along with "plastic, metal, gypsum, paper, and film."

This anomaly could only have resulted from a determined misunderstanding of hardboard in light of the fact that for over 30 years it has been a generic term for the products of the industry I represent.

Yet, no such compelling need was shown. I attach an appendix listing important bibliography in that respect and I request it be added to my statement without being read.

Mr. MACK. Without objection, the entire statement is included.

(Material referred to follows:)

#### APPENDIX TO R. C. KECK STATEMENT

##### "HARDBOARD" AS A GENERIC TERM

Over the last 35 years, "hardboard" has become and is well recognized as a generic term used to describe a hard, wide, thin, dense wood board, composed of wood fibers, having a high tensile strength and density and low water absorption, in which the wood lignins serve as the binder to reweld the wood fibers into a compact mass which in essence is reconstituted wood. It is a term that not only connotes that type of board but which differentiates other kinds of boards such as soft or insulation board, particle boards that have a synthetic resin binder, gypsum boards, wallboards, etc.

Mr. William H. Mason, the inventor of Masonite Presdwood (a registered trademark and brand name for Masonite's hardboard), first used the term "hardboard" 35 years ago in the claims of his basic hardboard patent. See U.S. Patent No. 1,663,505, product claims 9, 10, 22,<sup>1</sup> applied for September 18, 1925. He also commonly used the term "hardboard" in referring to his company's Presdwood in the years that followed. See, for example, the February 24, 1927, issue of Paper Trade Journal, page 134; i.e., "Hardboard-Presdwood."

When, in 1933, this same patent was involved in infringement litigation, and was adjudicated to be valid, in *Masonite Corporation v. The Celotex Company, et al*, 166 F. 2d 451, the Third Court of Appeals said:

"The product here in question is known to the trade and in this litigation as 'hardboard,' the sole substance of which is wood fiber."

<sup>1</sup>"9. A grainless, hard board composed of wood which has been disintegrated into substantially fibrous state, and which is denser than and comprises substantially all the substance of the original wood, and practically completely freed from moisture in the making.

"10. A grainless, hard board composed of wood which has been transformed by explosion into substantially fibrous state, and which comprises substantially all the substances of the original wood, and has a specific gravity of approximately one.

"22. The process of making grainless, hardboard of wood, which includes \*\*\*.



In *United States v. Masonite Corporation*, 40 F. Supp. 852, 854 (S.D.N.Y. 1941), the court said:

"The term 'hardboard' is widely understood to mean the patented product manufactured by Masonite Corp. under the basic Mason patent, No. 1,663,505, issued March 20, 1928; this product is to be distinguished from insulation board, which is a softer board produced in different ways by various manufacturers, and not directly involved in the present litigation."

On appeal, the U.S. Supreme Court said in *United States v. Masonite Corporation*, 316 U.S. 258, 267-268 (1942):

"\* \* \* Masonite is a manufacturer and distributor of hardboard \* \* \*. It has a high tensile strength, low water absorption and a density that ranges from 30 to 60 pounds per cubic foot. It is used in the building industry as wall-board, paneling, flooring, ceilings, and forms into which concrete is poured. It also has numerous industrial uses. Masonite began its production of hardboard in 1926 and distributed it through its own selling organization."

See also "hardboard" referred to in *F.S. Whelan and Sons v. U.S.*, 34 Cust. Ct. 208 (1955); *F.S. Whelan and Sons v. U.S.*, 40 Cust. Ct. 192 (1958); and *Elof. Hansson, Inc. v. U.S.*, 41 Cust. Ct. 519 (1958); and *U.S. v. Elof. Hansson, Inc.*, Treasury Decisions, ARD 114 (Ct. Cust. and Pat. Appls., December 1960).

During World War II, Government agencies regulating the use of critically short products regularly used "hardboard" as a generic term for the Masonite type of hardboard. The WPB "Suggested Conservation Guide for Hardboard," issued June 1, 1943, said:

"Increasing scarcities of many commonly used materials such as metal, lumber, and plywood have largely increased the demand for hardboard. This demand is now in excess of the production capacity of the hardboard industry."

"Hardboard is manufactured by only two producers, the United States Gypsum Co. and the Masonite Corp. These manufacturers market their products under the trade names Duron, Weatherboard, Presdwood, and Tempered Presdwood."

The Army and Navy Munitions Board, in its "List of Prohibited Items for Construction Work," issued November 8, 1943, referred to "Hardboard (such as Masonite and Weatherwood)."

During the Korean crisis, the Defense Production Authority in its "Expansion Goal No. 96 for Lumber & Wood Products," issued May 13, 1952, provided aid for "hardboard" plants.

In Report No. D1928 of the Forest Products Laboratory, U.S. Department of Agriculture, entitled "Hardboard: Processes, Properties, Potentials," issued in September 1952, it is stated:

"The term 'hardboard,' originally coined by the Masonite Corp. of Laurel, Miss., has now become generic and describes a cellulosic fibrous product made in one of three ways (wet, semidry, or dry processes), having a specific gravity from 0.8 to 1.2 and surfaces either wire marked on one side or smooth on two sides (S-2-S)."

On August 26, 1954, the Secretary of the Treasury made a finding of dumping with respect to "hardboard" from Sweden (T.D. 53567).

Since the early 1950's, the Bureau of Census has been gathering import statistics on "hardboard."

In Report No. 2265 of the House Ways and Means Committee, 83d Congress, 2d session, in reporting H.R. 9666 on July 15, 1954, it was said:

"The term 'hardboard' was originally coined by one manufacturer in the industry. However, it has now become generic and is used in domestic commerce to describe a board usually smooth surfaced on one side and screen marked on the other side. This board is manufactured from (ligno) cellulosic fibers in thicknesses generally from one-eighth to five-sixteenths of an inch and in densities ranging from approximately 50 to 75 pounds per cubic foot."

The U.S. Tariff Commission, in its March 1955 report on hardboard, pursuant to a Senate Finance Committee resolution, said:

"Hardboard is a term that has come to be pretty generally accepted in the language of commerce to identify a hard, dense board made from wood fibers interfelted and compressed under heat and pressure."

"The term 'hardboard' was first employed by the Masonite Corp. when production was started in 1926. The term was adopted by other producers in later years. It is not a copyrighted or proprietary name, and has become generic as the commercial designation of a type of dense board now widely made both in the United States and abroad."

There are numerous other well-recognized definitions of "hardboard" to the same effect:

The articles of association of the American Hardboard Association, a trade association of domestic hardboard manufacturers formed in 1952, defines "hardboard" as "a board comprised of interfelted ligno-cellulosic wood fibers consolidated under heat and pressure into a board characterized by a natural ligneous bond."

Commercial standard CS176-58, is entitled "Prefinished Hardboard Wall Panels."

Federal specification LLL-H-35 entitled "Hardboard Fibrous—Felted (Fiberboard)," states that the product covered by the specification shall be "comprised of interfelted ligno-cellulosic fibers" and "be characterized by a natural ligneous bond."

In the May 1960 notice of public hearings prepared by the Interdepartmental Trade Agreements Organization, of negotiations under the Trade Agreements Act of 1934, under paragraph 1413, "hardboard" is excepted.

In 1961, American Forest Products Industries, Inc., published a booklet entitled "The Story of Hardboard."

Typical technical writings using "hardboard" as above defined, include the following:

By Mr. Robert M. Boehm, director of research, Masonite Corp. (1929-58):  
"The Masonite Process," Industrial & Engineering Chemistry, May 1930.

"Manufacture of Insulation Board and Presdwood by the Masonite Process," Journal of Chemical Education, October 1930.

"A Note on Exploded Wood for Insulating and Structural Material," American Institute of Chemical Engineers, December 1930.

"Lignin Plastics," Modern Plastics, October 1937.

"Plastics and Chemicals From Wood," Paper Trade Journal, volume 110, No. 18 (1940).

"Developments in the Manufacture of Structural Products From Hydrolyzed Wood," Paper Trade Journal, volume 118, No. 13 (1944).

"Fiber Bonus," Chemical Industries, August 1947.

"Development of New Plastic Panels From Wood," Society of Plastic Engineers, April 1949.

"Notes on Wood, Plywood and Hardboard," Forest Research Society, May 1949.

"Application of Hardboard in Composite Veneered Panels," Forest Products Research Society, September 1951.

By Armin Elmendorf, internationally known wood technologist, engineer, and consultant (now heads Elmendorf Research, Inc., Palo Alto, Calif.):

"Hard Facts on Hardboard, Part 1," Wood (Chicago), volume 4, No. 12, December 1949.

"Hard Facts on Hardboard, Part 2," Wood (Chicago), volume 5, No. 1, January 1950.

"The Use of Hardboard in the Furniture Industry," Forest Products Research Society, September 1951.

"Economics of Hardboard Manufacture," American Society of Mechanical Engineers, November 1951.

The term "hardboard" has been extensively used for 30 years in magazine articles and newspaper stories circulated throughout the United States. Representative magazine articles using the term "hardboard" that have appeared in the last year or two include:

Reader's Digest, August 1961, page 152.

The Lumberman, July 1961, page 21.

Building Supply News, July 1961, page 94.

Popular Science, June 1961, page 149.

Kitchen Business, June 1961, page 18.

NCR Factory News, June 1961, page 43.

Home Life, May-June 1961, page 12.

Own-A-Home, May 1961, page 9.

Mississippi Valley Lumberman, May 1961, page 5.

Building Supply News, May 1961, page 149.

Good Living, May 1961, page 3.

Supermarket Equipment, April 1961, page 12.

House & Garden, March 1961.

Mississippi Valley Lumberman, March 17, 1961, page 8.

Furniture Manufacturer, March 1961, page 18.



Western Furniture Manufacturing, March 1961, page 8.  
 Publishers' Auxiliary, February 1961.  
 Thrift & Home, February 1961, page 3.  
 The Home Craftsman, February 1961, page 17.  
 Good Living, February 1961, page 3.  
 Building Product Dealer, January 1961, page 11.  
 Good Living, January 1961, page 3.  
 Architectural Record Houses of 1961, page 172.  
 Wood & Wood Products, December 1960, pages 48, 50.  
 Popular Science, Home Improvement Ideas, fall 1960, pages 167-168.  
 American Builder, November 1960, page 53.  
 Science & Mechanics, October 1960, page 149.  
 Wood & Wood Products, October 1960, page 54.  
 American Lumberman, September 1960, page 30.  
 Wood & Wood Products, July 1960, page 42.  
 Hitchcock's Wood Working Digest, July 1960, page 46.  
 Funspot, June 1960, page 26.  
 Furniture Design & Manufacturing, June 1960, page 61.  
 Furniture & Woodworking, May 1960, page 14.  
 Mississippi Valley Builder, April 1960, pages 4, 6.  
 Practical Builder, October 1959, page 82.  
 New Homes Guide, 45th edition, pages 108-110.  
 Home Maintenance & Improvement, page 30.

Newspaper stories using the generic term "hardboard," and not "fiberboard," appearing in recent months in every section of the United States are displayed on two panels in the hearing room.

Mr. KECK. I call the committee's attention to panels 2, 3, 4 and 5, and 7, that are also used in abundance across the country; 1, 2, 3, and 6 are called hardboard by the generic term "hardboard," and I might comment on panel 6.

That is a blowup of Edward Hines Lumber Co. promotional brochure on its all wood hardwood. That is its registered trademark. We do that for the benefit of proponents of the bill.

Yet, a veneer spokesman said in both the 1959 and 1960 hearings:

The sample numbered 1 is made of fiberboard, sometimes called hardboard. It is a composition material made from wood fibers and adhesive.

He said the same thing yesterday except he omitted the words "and adhesive." Apparently, he now knows there is no adhesive in hardwood.

Other proponents referred to "some nonwood material such as fiberboard," and another to "fiberboard and other nonwood materials."

We have news for those proponents of the bill—hardboard is every bit as much wood as hardwood veneer, and is emphatically not a composition material held together by an adhesive.

There is more wood in hardboard of a given thickness than there is in plywood of the same thickness, having in mind the glues and adhesives in the latter.

The fact that hardboard is a generic term for a wood product is so obvious that this month's Reader's Digest uses it as a generic term calling it a wood product on page 152. I refer to the August issue of Reader's Digest.

Because it is so vital to our industry that the Congress understand what hardboard is and avoid finding legislatively that it is a nonwood product, which it is not, O. W. Frost, director of research and development of Masonite Corp., who has had 38 years of experience in hardboard and the wood business, and is the dean of that industry, will give the facts in a separate statement.

Suffice it to say, hardboard is wood and a wood product, being made of wood and retaining all structural elements of the original wood; being bonded together with a wood-type bond by lignin, the natural cementing material that binds all wood together; and having always been described as a form of wood. It cannot so easily be read out of the wood family.

E. These bills are the antithesis of the competitive ends sought by the antitrust laws.

The late Harry A. Babcock, executive director of the Federal Trade Commission, and a distinguished antitrust lawyer, has said:

I would call your attention to the fact that a trader is no longer free to conduct an honest and reputable business in wood, in furs, or manmade fibers. He may sell an excellent product, he may describe it honestly and indulge no deceptive, fraudulent, or immoral practice, yet, he becomes a law violator in so doing if he does not place upon his products labels of a certain size containing certain information.

In this connection, the product, of course, is not one which is related to public health, safety, or other characteristics which attach a special public interest.

Now, I take it, justification for this type of legislation, generally styled "consumer legislation," is to be found in the conviction of the Congress that it is protecting the public and that this type of legislation is essential to that end. This may be true. I only point out that it is at variance with the concepts of former antitrust legislation.

What Mr. Babcock meant is that this kind of legislation bears no relations whatever to the traditional ends of the police power, public health under which, for example, foods must be labeled, public safety under which the stop-and-go lights are justified, public morals, or the public welfare.

Witnesses yesterday speculated that if furniture were eaten a pure-food-and-drug type of regulation would be justified. However, unlike the pure food and drug act which is justified as a regulation in the interest of public health, furniture and wall paneling have no relation to either public health, public safety, public morals, or the public welfare.

In principle, there is no more need for justification for this kind of regulation than that for labeling any other product. If this bill is passed, "Pandora's box" is opened wide.

If the Federal Trade Commission is to be given power to concern itself with intrastate retailing, such a vast extension of its power should be separately considered on its merits and not obliquely in labeling legislation.

If FTC should be given such broad power, that power should not be limited to just the products affected by these bills. It is an extraordinary step to empower the Commission, as would section 4(1) of these bills, to concern itself not only with deception but also with misrepresentation regarding price, terms of sale, quality, et cetera, in local retailing.

Many of our objections to these bills can be corrected if there is a will to be fair.

In order that I may not be misunderstood, I propose the following amendments:

Mr. Chairman, I wonder if they could be shown in the record without my taking the time to read it, in view of the number?

Mr. MACK. Without objection, the proposed amendments will be included.



(Material referred to follows:)

AMENDMENT 1—TO REMOVE THE BILLS FROM CATEGORY OF SPECIAL LEGISLATION

The pending bills are designed to require disclosure by labeling, and to control misbranding, of products with simulated wood grain patterns of all underlying materials excepting only hardwood veneers, which, regardless of species, can be labeled simply "genuine hardwood veneers" or "hardwood veneered construction, simulated teak grain." This surprisingly discriminatory result has been explained by the veneer spokesman as follows:

"Hardwood plywood is always identified by the face species, and the hardwood industry agrees with furniture manufacturers and retailers that requiring that labels spell out the species of each underneath layer would be meaningless to the consumer and would create an unnecessary burden on the manufacturer."

In other words, the chief beneficiary of these bills believes that it would be meaningless to the consumer to know what is underneath a layer of the 1/28- to 1/64-inch top veneer on furniture, wall coverings, etc., but that where that veneer is absent the consumer must by law be told by labels what is underneath. If there is to be labeling of decorative hardwood products and simulated hardwood products then the true composition of the underneath layer in all cases should be disclosed.

This inequitable result can be corrected by amending section 2(f) of the bill to read as follows:

"(f) The term 'exposed surface area,' as used in the definition of 'decorative hardwood or simulated hardwood products,' means any exterior surface, including such surface to a depth of 1 inch, which is exposed to view when the product is installed or placed in normal position."

Section 2(h) defining "structure surface covering" should be similarly amended. This same result could also be accomplished by amending the bill to require the disclosure of the composition of all furniture, wall paneling, floor covering, etc., that is or resembles hardwood or that has a hardwood grain finish.

AMENDMENT 2—RECOGNITION OF HARDBOARD AND NOT FIBERBOARD AS A GENERIC TERM

Sections 2(c) and 4(c) use the word "fiberboard" as descriptive of hardboard, and the proponents of these bills speak of it as composition board.

Actually, hardboard is a generic term for the type of hard, dense wood board the hardboard industry produces. See appendix 1.

Actually, also, hardboard is wood, for the reasons I have stated.

It is suggested that the term "fiberboard" in section 2(c) and 4(1) (C) either be changed to "hardboard," or to "wood products." If the bills are to apply to hardboard they should say so accurately.

AMENDMENT 3—ARBITRARILY LIMITING BILL TO HARDWOOD AND NOT ALSO TO SOFTWOOD

These bills are carefully limited to hardwood and do not cover softwood. Therefore, they would only reach the furniture, wall coverings, etc., in a room to the extent that they involved hardwood grain patterns. Thus, the knotty pine paneling on a wall and pine cabinets and furniture would not be covered by the bill, even though intermixed in the same room with decorative hardwood furniture.

It is suggested that the word "hardwood," wherever used in the title and text of these bills, be changed to the word "wood," and that the term "wood" be made a defined term in section 2 of the bills as meaning "any product originating from trees which retains its whole natural fibers, after being converted into a finished product."

AMENDMENT 4—REGULATION OF IMPORTS

The Treasury Department, in agency comments on similar bills, has pointed out quite properly that it is not clear from the bill whether the custom service should deny entry to misbranded decorative hardwoods. That is to say, unlike other labeling acts, i.e., Textile Fiber Products Identification Act (15 U.S.C. 70g) and Fur Products Labeling Act (15 U.S.C. 69f), that are expressly appli-

cable to imports, these bills are silent on the subject. If there is a compelling need for regulation of domestic products, it would appear that that need would be equally applicable to imported products.

We suggest that a new section be added to the bills that is the equivalent to title 15, United States Code, section 69(f) and 70(g).

#### AMENDMENT 5—DELETION OF CONDEMNATION REMEDY

Section 7 of the pending bills provides for the extreme remedy of confiscation by process of libel for condemnation of misbranded and mislabeled products, in addition to the remedies of injunction and criminal penalties. This unnecessarily harsh remedy would greatly increase the present regulatory powers of the Federal Trade Commission now applicable to the branding and labeling of such products in the form of cease-and-desist orders for violation of section 5 of the Federal Trade Commission Act to include seizures and condemnation, with the attendant submission of manufacturers to litigation in innumerable jurisdictions wherever their product is sold.

We urge that section 7, insofar as it relates to confiscation by process of libel in condemnation, be deleted.

#### AMENDMENT 6—ALL, NOT PART, OF THE SIMULATED FINISHES

Although section 2(c) of these bills, in defining "simulated hardwood," refers to the imitation of any wood grain, figure, or growth character applied by printing or any other process, section 4(c) refers to a printed or engraved surface which, for inexplicable reasons, would exclude the common method of applying simulated wood grain finishes by a preformed decalcomania process and by other processes. Thus, a simulated wood grain finish on plastic must be labeled if the finish is printed or engraved, but not if by the use of a preformed lacquer decalcomania.

Moreover, in the manufacture of furniture and paneling involving the use of hardwood veneer, often a lower quality veneer is upgraded through the use of a decalcomania that contains grain and figure marks.

We urge that section 4 be amended to spell out that the labeling should describe fully the kind of finish applied where either hardwood grain, figure, or growth character, or color, or both, are artificially induced.

#### AMENDMENT 7—INVOICING

The bills should be amended to include a requirement for disclosure of the correct names in invoices as does the Fur Products Labeling Act. The omission of such a requirement from the pending bills certainly weakens them and makes enforcement more difficult.

#### AMENDMENT 8—WOOD PRODUCTS NAME GUIDE

These bills, unlike their predecessors in the 86th Congress, omit entirely the provision for establishing a wood products name guide. If wood labeling legislation is to be passed requiring disclosure of the correct common name of the wood in a product or a simulated finish, it should contain a provision for establishment of an official name guide, as was done in section 7 of the Fur Products Labeling Act of 1951.

Mr. KECK. I have one concluding statement.

Mr. MACK. I want to just say that the gentleman is taking considerable time of the opponents of the bill this morning, and as we announced several weeks ago, we are only going to allow today for the opponents on the bill.

Now, it is not possible for us to sit this afternoon because the House is under 5-minute rule and permission cannot be granted for the committee to sit during the afternoon hours.



It is very difficult to arrange an evening meeting of the committee and, therefore, I feel that the opponents of the legislation ought to wind up their testimony this morning.

Mr. KECK. May I have permission to supplement my statement in the record then, with respect to another matter touched on yesterday?

Mr. MACK. Let us see if I understand the situation correctly. The gentleman is responsible, is he not, for the display here?

Mr. KECK. I am, yes, sir; except one or two other panels.

Mr. MACK. And you referred to several of the other witnesses so I assume that you are coordinating your testimony with theirs?

Mr. KECK. Right; yes, sir.

Mr. MACK. Now, you can take the balance of the time as far as I am concerned, but I just wanted your other witnesses to at least appear during the course of the hearing this morning and we only have 15 minutes left.

Mr. KECK. Thank you very much for the time you afforded me.

(The following letter was later received from Mr. Keck:)

MACLEISH, SPRAY, PRICE & UNDERWOOD,  
Chicago, August 23, 1961.

HON. PETER F. MACK, JR.,

Chairman, Subcommittee on Commerce and Finance, House Committee on Interstate and Foreign Commerce, Washington, D.C.

MY DEAR CONGRESSMAN MACK: On August 16, at the conclusion of my testimony in regard to the decorative hardwood and simulated hardwood products labeling bills, H.R. 1141 and H.R. 1949, you authorized my supplementing my statement.

My desire to do so is stimulated by testimony of certain proponents of that legislation on August 15 to the effect that a wood-grained finish on hardboard, when damaged or worn, cannot be repaired.

The clear, but erroneous, implication of their testimony was that only fine hardwood veneer, though but one sixty-fourth to one twenty-eighth of an inch thick, could protect furniture, wall paneling, et cetera, from wear and tear and retain its fine appearance.

To determine whether this bugaboo was true, the American Hardboard Association ran an experiment that I was prepared to demonstrate to the committee had time permitted.

It obtained samples of both wood-grained hardboard and hardwood plywood, and subjected each to several damage tests.

In a cigarette-burn test, a lighted cigarette was placed on both the top and bottom halves of both the hardboard and plywood samples and was allowed to remain for a prescribed time.

In an impact test, a 1-pound steel ball was dropped from a 7-foot height on both the top and bottom halves of both the hardboard and plywood samples.

These samples were then submitted to a professional furniture refinisher in Chicago for the repair of only one of the two damaged areas on each sample. The only instruction given was to do the best possible job on each.

I had the samples with me for the committee's inspection. They showed clearly these results:

First, the hardboard and the finish upon it were much more resistant to damage than was the hardwood plywood. Second, a professional furniture refinisher can for all intents and purposes repair and restore the wood-grained finish on hardboard as readily as on hardwood plywood. Third, there is no basis, in fact, for the fallacious assertion of the proponents of this legislation that only furniture surfaced with fine hardwood veneer can be repaired and restored when damage occurs.

Very truly yours,

ROBERT C. KECK.

Mr. MACK. Our next witness is O. W. Frost, Masonite Corp., Chicago.

**STATEMENT OF O. W. FROST, DIRECTOR, MASONITE CORP.,  
CHICAGO, ILL.**

Mr. FROST. I am O. W. Frost. I am the director of research and development and a director of the Masonite Corp., 111 West Washington Street, Chicago, Ill.

I appear in opposition to H.R. 1141 and 1949.

Masonite Corp. is the largest and oldest producer of hardboard in the United States, having initiated the production of hardboard in this country in 1926, as the assignee of the basic hardboard patents of William H. Mason. Its principal trade name for its hardboard over these years has been Presdwood, a registered trademark.

While my company has manufactured and sold a vast quantity of hardboard since 1926, it has finished very little of it with simulated wood-grain patterns until recent years, although hardboard has been finished with wood-grained patterns and designs for many years by furniture manufacturers and other industrial applicators.

It now manufactures and sells a line of hardboard panels with wood-grain finishes known as the Masonite Royalcote line.

These wood-grain patterned panels, that are factory finished on Masonite hardboard, come in seven Royalcote decorator colors of cherry and walnut wood-grain patterns, in random grooved, un-grooved, and perforated styles.

Our advertising and sales promotional literature has always pointed out that these are factory-finished panels of our hardboard.

We oppose the pending bills for a number of reasons:

1. They are special legislation, designed solely for the private benefit of the producing members of the Fine Hardwoods Association, and not for the benefit of ultimate consumers.

This was frankly recognized by the then Chairman of the Federal Trade Commission, in testifying on similar Senate bills in 1959, who said:

\* \* \* it is special legislation. It deals with a special industry, and in those circumstances I think the Congress should be very careful about adopting such legislation on principle. (Senate committee reprint, p. 20.)

2. The bills ignore consumer protection not only as to softwoods, but also virtually exempt hardwood veneers. Softwoods, though commonly used for decorative purposes in furniture and on interiors, are ignored by the bills entirely, except that where a hardwood grain is simulated on a softwood the species of the softwood must be named.

On the other hand, if an inexpensive hardwood veneer such as gum or aspen is on the surface, it can be called merely genuine hardwood veneers or plywood, even though other plies may be nonhardwood.

Moreover, if that gum or aspen hardwood veneer is printed to resemble another species, it need not be identified by specie but merely by hardwood veneered construction.

3. The bills, unlike prior labeling acts, put a stigma of "imitation," or "simulation" by mandatory label, on nonhardwood furniture surfaces, and thus stigmatize such new and improved surfaces as inferior



or shoddy. This, in effect, would be a congressional setting of product quality standards.

4. The bills would greatly extend the regulatory powers of the Federal Trade Commission to the retail level in connection with the products covered, not only as to deception with respect to materials used on exposed surfaces, but also as to misrepresentation relating to price, quality, terms of sale, and other trade practices.

Such a far-reaching extension of the Commission's power should be considered on its own merits as to all products sold at retail, and not obliquely in connection with a labeling bill covering just hardwood products.

5. No compelling need for this drastic regulation has been shown, which consumer need should be particularly clear and forthright in view of the special legislation features and the expensive regulatory bureaucracy these bills would require.

6. The Federal Trade Commission already has adequate power which it has been exercising to prevent practices that deceive the consumer, so no further legislation is necessary.

There is an additional and special objection which my company has to the bills that pertain to hardboard, that is, that sections 2(c) and 4(c) of these bills would erroneously classify hardboard as a "nonwood" material along with plastic, metal, gypsum, paper, and film, as something other than wood.

This gross misconception about the nature of hardboard has been circulated by the fine hardwood veneer spokesmen who sponsor these bills, in their efforts to use Congress in furthering their own interests in competing with hardboard as a furniture and wall paneling material.

I should preface my remarks about why hardboard is wood, and is not a nonwood or composition board product, by pointing out that I have spent 38 years in the development and research, manufacture and sale of forest products made from treewood.

I received a bachelor of science degree in forestry from the University of Minnesota in 1923.

I have since been employed successively by the Wood Conversion Co., Cloquet, Minn., a company owned by the Weyerhaeuser timber interests; by the United States Gypsum Co., as superintendent and works manager of its wood products plant in Greenville, Miss., and later as supervisor of the wood fiber products research work of that company; by Forest Fiber Products Co., for whom I designed, supervised the construction of, put into operation, and operated its hardboard plant at Forest Grove, Oreg., a company affiliated with Stimson Lumber Co., a producer of Douglas-fir lumber; again by Oregon Fiber Products Co., as general manager of its Pilot Rock, Oreg., wood products plant; and for the last few years as director of research and development of Masonite.

Hardboard is a generic term for the products of my company and industry. As such, it has long been used to describe such materials by consumers, industrial users, distributors, et cetera.

In fact, Mr. William H. Mason, the inventor of hardboard, used that term to describe it over 30 years ago, to differentiate hardboard from softwood fiber products such as insulation board.

"Hardboard" and not "fiberboard" is a much more accurate word to describe the products I am concerned with, that are used so exten-

sively in the furniture and wall paneling fields with which these bills are concerned. In fact, "fiberboard" is such a broad, loose term that it would include soft insulation boards, boards composed of fibers other than wood, and also boards of wood fiber that are not held together by lignin as is natural wood and hardboard.

For many years magazines, newspapers, trade literature, and the like have used the term "hardboard" to describe the products which my company makes.

Moreover, hardboard is wood as clearly as are the various veneers, plywoods, et cetera, which are to be "protected" by this legislation.

The spokesman for the hardwood veneer group has indicated his complete lack of understanding of the nature of hardboard by telling this committee that it is a "composition material made from wood fibers and adhesive" (reprint, 11), and by writing this committee that "fiberboard could be called wood only if it were agreed that paper could also be called wood" (reprint, 168).

Any confusion he may have injected can be readily clarified by a better understanding of the words "wood" and "hardboard."

Mr. Chairman, I would suggest that the balance of my testimony could be made a matter of record.

Mr. MACK. Without objection, your entire statement will appear.

(Statement of O. W. Frost is as follows:)

#### STATEMENT OF O. W. FROST

I am O. W. Frost. I am the director of research and development and a director of the Masonite Corp., 111 West Washington Street, Chicago, Ill. I appear in opposition to H.R. 1141 and H.R. 1949.

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I should preface my remarks about why hardboard is "wood," and is not a "nonwood" or composition board product, by pointing out that I have spent 38 years in the development and research, manufacture and sale of forest products made from treewood. I received a bachelor of science degree in forestry from the University of Minnesota in 1923. I have since been employed successively by the Wood Conversion Co., Cloquet, Minn., a company owned by the Weyerhaeuser timber interests; by the United States Gypsum Co., as superintendent and works manager of its wood products plant in Greenville, Miss., and later as supervisor of the wood fiber products research work of that company; by Forest Fiber Products Co., for whom I designed, supervised the construction of, put into operation, and operated its hardboard plant at Forest Grove, Oreg., a company affiliated with Stimson Lumber Co., a producer of Douglas-fir lumber; again by Oregon Fibre Products Co., as general manager of its Pilot Rock, Oreg., wood products plant; and for the last few years as director of research and development of Masonite.

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Moreover, hardboard is "wood" as clearly as are the various veneers, plywoods, etc. which are to be "protected" by this legislation.

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Any confusion he may have injected can be readily clarified by a better understanding of the words "wood" and "hardboard."

(a) *Meaning of "wood"*

"Wood" is a very broad term. Webster's New International Dictionary gives 11 definitions of "wood." Its 1st definition is "something made from a tree or trees"; its 5th definition is "the hard fibrous substance which makes up the greater part of the stems and branches of trees or shrubs beneath the bark"; its 8th definition is "something made from wood"; its 11th, last, and an obsolete meaning, is "The arrangement of fibers in wood; grain. Obs."

In *Steinhardt & Bros., et al., v. U.S.*, 9 Ct. Cust. Appls. 62 (1919), the word "wood" was defined as follows (p. 64):

"\* \* \* in common parlance wood is the tough, hard substance of all trees and shrubs, and it includes not only the hard fiber bundles of trees and shrubs in general but also the tougher fibrous components of some herbaceous plants. \* \* \* We think that lexicographers and common knowledge warrant us in saying that wood is a very broad term and includes not only material obtained from exogenous plants, but also substances obtained from palms, from bamboo, which is a giant grass, and from some ferns which are herbaceous plants."

This same meaning was enunciated again in *Calif-Asia Co., Ltd. v. U.S.*, 39 C.C.P.A. (Customs) 133 (1952).

This same definition of "wood" was adopted in *Masonite Corporation v. Celotex Co.*, 66 F. 2d 451 (6th Cir. 1933), app. dism. 290 U.S. 708, which was the culmination of patent litigation over the basic hardboard patents. There, the court was considering whether a Celotex hardboard made of bagasse (the stalk of sugarcane) infringed Masonite's patent claim dealing with "ligno-cellulose materials, such as wood, and the like." It said (p. 455):

"The expression 'Ligno-cellulose material, such as wood,' we think, means natural wood, treewood. The expression 'and the like' obviously means something else, yet something 'like' wood with its ligno-cellulose quality. And so the word 'wood' in the claims means one thing, 'natural wood,' which in turn means treewood. Then the term 'or woody material' must mean something other than treewood, yet something which like treewood has fiber in quantity and quality that will produce the product of the patent by its process. These critical expressions deal with fiber of fixed requirements to be obtained, however, from two sources, wood material and woody material. There is no showing in the record that use of fiber from one source involves any essentially different principle or mode of operation than use of fiber from the other source. It follows that, although the resultant product is the same, the word 'wood' and the term 'woody material' cannot mean the same fiber source, and that, being in the claims, the two cannot have the same meaning. Each has a meaning of its own; and to each, properly defined, the patentee is entitled. \* \* \*

"We find, on the evidence and on its own demonstration, that bagasse is such a woody material."

Neither dictionaries nor judicial decisions support the narrow, obsolete "hardwood grain, figure, or growth character" definition of "wood" inherent in sections 2(c) and 4(c) of the pending bills. Rather, they define "wood" as the tough, hard substance of trees. That substance is ligno-cellulose fibers, not just a group of such fibers in the form of 2 inches by 4 inches by 10 feet, or a paper-thin sheet of veneer. That is to say, "wood" is still "wood" whether in the form of a tree, a shingle, a board, plywood (thin plies), veneer (paper-thin ply), hardboard (fibers rearranged), particle board (wood particles held together by resin), or wood flour (fine particles). Wood is still wood whether the log is cut into boards, cut on a lathe into veneer, carved into a shape, broken into particles, or exploded into constituent fibers and reassembled, just as steel is still steel whether in the form of a beam, wire, or casting, or shavings.

(b) *What is "hardboard"?*

"Hardboard" is the generic term for a hard, dense board, composed of wood, having high tensile strength and density, and low water absorption. "Hardboard" as a name has been used to describe the product for over 35 years. Inventor William H. Mason, in his basic hardboard patent filed in 1925 and in his early writings used the term "hardboard" to characterize his invention and to distinguish it from soft or insulation board as I have stated.

In 1933, in a Third Circuit Court of Appeals decision involving hardboard patents, *Masonite Corp. v. Celotex Co.*, *supra*, the court said (p. 452):

"The product here in question is known to the trade and in this litigation as 'hardboard,' the sole substance of which is wood fiber."



It called hardboard "a hardwood board with the major wood characteristics retained, certain undesirable ones left out, and new characteristics added." It is wood in a rearranged or restored form.

Hardboard is made in a four-step mechanical and nonchemical process:

1. *Wood defibration.*—The treewood raw material is mechanically reduced to chips and then to whole wood fibers or bundles of fibers, by an explosion or other defibrating process.

2. *Refining.*—The resulting bundles of fibers are then mechanically refined into more uniform wood fiber bundles or constituent fibers. They are not beaten or treated chemically.

3. *Forming.*—Next, the wood fibers and fiber bundles are formed into sheets by one of two methods: in some processes by means of water; in other processes by an airstream.

4. *Hot pressing.*—The mat or lap is then conveyed into a giant, multiple-opening, hot press, which is constructed so as to make hardboard under (a) mechanical pressure exerted hydraulically up to many hundred pounds per square inch, and (b) heat-producing temperatures in the wood up to 400° F. There, in the combined presence of carefully controlled heat and pressure the hardboard is made, the lignin in the wood fibers and fiber bundles welding or binding them together in about the same manner as they were bound together in the original wood. The hardboard stays in the hot press until bone dry, following which it is humidified to restore some moisture content, is sometimes treated or tempered in an oil polymerization process to increase strength, is cut to various sizes, and is wrapped and stored or shipped.

There are two basic types of hardboard: untreated or standard hardboard; and tempered hardboard. The latter type is given a supplemental process of impregnation with drying oils and baking to oxidize or polymerize the oils, thereby making it more resistant to moisture and abrasion, increasing its breaking strength nearly twice, and giving it other desirable properties for exacting, heavy duty uses. Both types are made in thicknesses of one-tenth, one-eighth, three-sixteenths, one-fourth, and five-sixteenths of an inch, and in stock or standard size boards 4 feet (sometimes 5 feet) wide and 6 to 16 feet (occasionally 18 feet) long. Much hardboard has one extremely smooth surface and a screen back, although several companies produce a smooth two-side (S-2-S) hardboard.

The hardboard industry dates from a simple origin in a laboratory 35 years ago, as a way to use lumber sawmill slab waste and edgings. It began with William H. Mason, an engineer and former associate of Thomas A. Edison, who in a two-step process became its inventor. In 1924 he found a method of quickly separating wood fibers without destroying their physical properties, by exploding wood chips by high pressure steam; in 1925, he found a method of making reconstituted wood, without some of the defects in the original wood form, by subjecting his gun fiber to consolidating heat and pressure, calling the product hardboard, which his company has always described by the trade name Presdwood. Mr. Mason was granted several patents, both on hardboard and the process of making it, the basic patent, U.S. Patent No. 1,663,505, being granted March 20, 1928. A company bearing his name, financed by lumbermen, began production of hardboard in September 1926 in Laurel, Miss., adjacent to a large sawmill.

From the beginning, hardboard has been devoted primarily to functions previously performed by lumber and plywood. Significantly, Masonite's first carload shipment of hardboard was to an industrial customer for use in making visors, door panels, and kick plates in the automobile industry. In 1928, Masonite established special sales divisions to promote the then rapidly growing use of hardboard for concrete form faces and truck cab tops. The first national hardboard advertising of Masonite, in the Saturday Evening Post, showed hardboard being used in speedboat hulls, shipping cases, outdoor signs, aquatic recreational equipment, concrete forms, incubators, trucks, ice boxes, and store fixtures. In May 1930, Robert M. Boehm, director of research of Masonite, wrote in *Industrial & Engineering Chemistry* that:

"Presdwood is advertised as grainless wood. As such it has possibilities of use in every place where wood is now used. Because every sheet is grainless A-grade lumber, wastage is reduced to a minimum and labor costs are low."

The basic hardboard patent (No. 1,663,505) contains 14 product claims which refer either to "a coherent, grainless, homogeneous, hard, stiff, and strong body of wood or woody material," "a grainless, hard board composed of wood," "a grainless wood product," "a hot pressed grainless ligno-cellulose product," or "a

hard, dry fiber product containing substantially all of the lignins and other constituents of wood."

The validity of this basic hardboard patent, on which a worldwide hardboard manufacturing industry has been built, was upheld in *Masonite Corporation v. Celotex Co.*, that I have referred to, which described hardboard as—

"\* \* \* a hard wood board with the major woody characteristics retained, certain undesirable ones left out and new characteristics added." (P. 452).

The raw materials used are tree wood in many forms. Hardboard is made from sawmill slab waste and edgings; from plywood log cores and trimmings; from sound wood fibers in logs unsuited to the manufacture of lumber; from small diameter, second-growth cordwood; from little used species like aspen, lodgepole pine, etc.; and from snags and debris from logging operations. The only requirement is that the raw material, regardless of form or shape, contain sound wood fiber. Hardboard is not made from sawdust, shavings, or other mascerated particles of wood, as are the so-called particle boards which are bound together by a synthetic resin binder.

(c) *Reasons why hardboard is wood*

Being solely made of wood that has been taken apart and put back together, having a wood-type bond between its component fibers obtained from the natural ligneous constituents of wood fibers, having high wet strength when wet and other physical properties similar to those of other forms of wood, being workable with tools used for fabricating wood, being commonly used where the unique properties of wood have been found most useful, and being commonly referred to as a wood product, hardboard is wood.

(1) *Hardboard is made of wood and retains all structural elements of the original wood.*—In the first place, hardboard is a wood product because it is made from tree wood by a manufacturing process in which all of the structural elements of the original wood are retained. The process converts small pieces of raw wood into large, wide, dense boards retaining natural wood characteristics, there being no reduction of the lignin or other structural elements of the wood by chemical digestion.

Hardboard is not a composition board held together with an adhesive.

That is to say, not only is hardboard made from tree wood (its wood content being from 97 to 100 percent, being even higher than plywood), but in its manufacture all the structural elements of the wood must be retained. In upholding the validity of the basic hardboard patent, the Third Circuit Court of Appeals, in the *Masonite-Celotex* litigation, said:

"To retain in a board everything that is good in wood, Mason thought he should put back all he took out. This included lignins. What he proposed to do was to depart abruptly from the arts and avoid chemically digested fiber and chemical action anywhere and resort to the wholly novel practice of tearing wood to shreds, that is, separating out its fibers, and putting them back again physically, without adding any element to weld or bind them together" (p. 452).

Especially important are the lignins which act as a binding agent in hardboard just as in natural wood.

(2) *Hardboard is bonded together with a "wood-type" bond by lignin, the natural cementing material that binds all wood together.*—The significance of lignin retention in hardboard manufacture is that the preserved lignin is put to work to reweld the wood fibers, giving hardboard what is commonly called a wood-type bond, a bond that is characterized by high strength in both the dry and wet condition. The most unique or outstanding characteristic of wood, including hardboard, is the property of having nearly as great hardness, stiffness, and strength when wet as when dry—a characteristic making it an excellent structural material.

In hardboard, this wood-type bond is achieved in the unique hardboard hot press by the simultaneous action of great heat and consolidating (i.e. following up) pressure.



The March 1955 U.S. Tariff Commission Report on Hardboard states (pp. 18-19):

"The pressure of several hundred pounds per square inch with temperatures as high as 400° or more plasticizes the natural bonding properties of the wood fibers so as to bind the fibers together."

Hardboard is the only wood fiberboard made in which the lignin or natural binding material present in the original wood is used as a binder to give it a wood-type bond. Once this binding action of the lignin in hardboard has taken place, the process cannot be reversed. Thus, hardboard will not revert back to wood fibers in the presence of water, for like natural wood it has high wet strength.

This wood-type bond gives hardboard, like raw or natural wood, the characteristic of high wet strength—that enables it to retain the greater portion of its strength even when water-soaked; enables millions of feet of hardboard to be used as exterior siding on buildings, in outdoor signs, to line the seawalls at Chicago's Century of Progress in 1933-34 and still be structurally sound when removed after two seasons of exposure to weather and waves, to be used as dies in forming and shaping metals, to line concrete forms, for truck body paneling, in boat hulls, as flooring and desk chair mats, or workbench tops, and so forth, and has always enabled hardboard to withstand great exposures and rigorous usage.

"\* \* \* whatever it is that holds together the fibers in the hardboard, *they are, as a matter of fact and without regard to theory, bound and held together by some wood element restored.* \* \* \* the fact is the wood fibers, put back as the patent teaches, *do in some way grasp their fellows and hold them fast.* That they could be made to do this was a challenge to nature. And it was new" (66 F. 2d at pp. 452-53). [Emphasis added.]

This wood-type bond makes hardboard into wood rearranged in a wider, thinner form—and gives hardboard its unique qualities and uses.

(3 *Hardboard has physical characteristics similar to other forms of wood.*—Hardboard has the following characteristics of raw or natural wood:

Both have a lignin or wood-type bond.

Both have high wet strength and similar durability to weather.

Both are somewhat hygroscopic and will absorb some moisture.

Both will expand and contract somewhat. Hardboard does so in all directions and less than natural wood across the grain.

Both are composed of ligno-cellulosic fibers and therefore have substantially the same chemical composition.

Both are readily worked with the same woodworking tools and techniques.

Both are finished (glued, painted, stained, and so forth) in the same manner.

Both are warm to the touch.

Hardboard is similar in character and physical properties to lumber and plywood, and by nature quite unlike other composition boards. This is dramatically shown in a study by Robert M. Boehm, until recently director of research, Masonite Corp., of the comparative physical properties of 1/8-inch untreated hardboard and lumber and plywood, on the one hand, and paperboard, pulpboard, and wallboards, on the other, a copy of which is attached hereto.

There can be no more graphic evidence of the essential nature and characteristics of hardboard than as shown by common recognized tests Mr. Boehm made.<sup>1</sup> That exhibit shows that the physical properties of hardboard are similar to those of lumber and plywood, hardboard being actually stronger in most tests than plywood, and about on a par with lumber. It shows up strikingly well

<sup>1</sup> The common tests of physical properties which Mr. Boehm made, that can be reproduced in any laboratory, were of (a) weight, thickness, and specific gravity; (b) dry and wet modulus of rupture (i.e., its breaking strength), and the residual strength; (c) modulus of elasticity (i.e., its stiffness); (d) bond strength (i.e., its resistance to being pulled apart internally); (e) tensile strength (i.e., its resistance to being pulled apart longitudinally); (f) water absorption; and (g) abrasion resistances.

to those other forms of wood in tests having to do with resistance to moisture or wet strength properties. For example:

	1/8-inch untreated hardboard	1-inch southern yellow pine	1/4-inch Douglas-fir plywood	1/4-inch gum plywood
Residual strength:	Percent	Percent	Percent	Percent
After 1 hour in H <sub>2</sub> O (strength left).....	81.0	82.0	67.0	53.0
After 24 hours in H <sub>2</sub> O (strength left).....	53.0	60.0	53.0	54.0
Water absorption percent:				
Uptake, 1 hour (by weight).....	3.5	9.5	19.6	18.7
Uptake, 5 hours (by weight).....	7.3	16.5	26.3	29.5
Uptake, 24 hours (by weight).....	19.2	30.5	35.6	57.6
Swell, 1 hour (by thickness).....	1.0	1.2	3.3	1.6
Swell, 5 hours (by thickness).....	4.2	2.1	5.3	2.4
Swell, 24 hours (by thickness).....	10.0	3.7	6.9	4.3

#### TABER ABRASION RESISTANCE

Dry (CCS loss).....	0.73	0.49	0.44	0.48
Wet (CCS loss).....	1.43	2.25	1.72	1.90

Its breaking strength, stiffness, tensile strength and bond strength are in the same general order as lumber and plywood. This similarity in quality and texture of hardboard to wood has been pointed out continually in the trade literature on hardboard over the past 30 years: It has been pointed out that hardboard "can be sawn, machined like wood," "works like wood," "can be easily worked with ordinary carpentry tools," "can be glued like any other woodboard," "wood stains can be applied \* \* \* using the same techniques used for staining wood."

On the other hand, the physical properties of hardboard are quite unlike those of the other boards Mr. Boehm tested, as shown in the attached exhibit. In a dry condition, 1/8-inch untreated hardboard has vastly different characteristics than such other boards: It is much more dense. It has from 2 to 17 times more breaking strength (modulus of rupture), from 2 to 28 times the stiffness (modulus of elasticity), from 3 to 27 times the bond strength, up to 18 times the tensile strength, and from 3 to 35 times the resistance to abrasion.

In a wet condition the disparity is even greater. Paperboards have such little wet strength that they cannot even be given several tests such as residual strength. In other tests they also show up very poorly. For example:

Water absorption	1/8-inch untreated hardboard	Paperboard range
	Percent	Percent
Uptake, 1 hour.....	<sup>1</sup> 3.5	73.7-147.0
Uptake, 5 hours.....	<sup>1</sup> 7.3	92.3-162.2
Uptake, 24 hours.....	<sup>1</sup> 19.2	115.2-177.2
Swelling, 1 hour.....	<sup>1</sup> 1.0	44.8- 50.0
Swelling, 5 hours.....	<sup>1</sup> 4.2	48.3- 53.6
Swelling, 24 hours.....	<sup>1</sup> 10.0	51.7- 57.2

<sup>1</sup> By weight.

The wallboards and insulation boards do only slightly better:

	1/8-inch untreated hardboard	Fiber wallboard	Insulation board
Residual strength:	Percent	Percent	Percent
After 1 hour.....	<sup>1</sup> 81.0	4.0- 37.0	4.3- 69.0
After 24 hours.....	<sup>1</sup> 53.0	2.0- 15.0	20.0- 38.0
Water absorption:			
Uptake, 1 hour.....	<sup>2</sup> 3.5	26.8-154.1	6.6- 87.4
Uptake, 5 hours.....	<sup>2</sup> 7.3	60.0-191.8	11.9-235.0
Uptake, 24 hours.....	<sup>2</sup> 19.2	113.0-204.0	22.7-263.0
Swelling, 1 hour.....	<sup>3</sup> 1.0	12.2- 33.3	1.1- 3.7
Swelling, 5 hours.....	<sup>3</sup> 4.2	18.9- 47.2	3.0- 11.7
Swelling, 24 hours.....	<sup>3</sup> 10.0	30.5- 55.6	6.1- 15.1

<sup>1</sup> Strength left.

<sup>2</sup> By weight.

<sup>3</sup> By thickness.



Thus, the U.S. Tariff Commission, in its March 1955 report on hardboard, found that—

"Hardboard is characterized by a hardness and density greater than that of the wood from which it is made and by high tensile strength, high wet strength, and high resistance to water and abrasion (p. 12).

\* \* \* \* \*

"In such properties as dry and wet strength, elasticity, bond strength, tensile strength, water absorption, and abrasion resistance, hardboard closely resembles southern yellow pine lumber and gum plywood, and does not at all resemble the various types of paperboard and other fiber building boards" (p. 25).

While hardboard has the major characteristics of wood it is unique in that many of the disadvantageous characteristics of wood have been eliminated. Hardboard will not split, check or warp. There are no knots or raised grain in hardboard. Hardboard, being grainless, in that the fibers are dispersed in a random manner, has equal strength in all surface directions and is free from the weakness across the grain of natural wood. Hardboard expands and contracts evenly in all surface directions and less than natural wood across the grain.

Hardboard also has unique characteristics of its own. It is more dense than natural wood, that density being uniform unlike that of raw wood. It can be made into thin boards of great width, with improved water resistance. It has great surface hardness and smoothness. It is a light weight, thin material. It has different and distinctive characteristics from those originally possessed by the wood from which made, and in that sense is unlike any other product made from wood. Because of its superior characteristics, hardboard can be used in fields where other forms of wood cannot be used, or if used, are less effective. Thus, in many uses, hardboard is used with, or in lieu of and directly competes with sheet metals, ceramics, glass, and other materials.

Hardboard is, therefore, definitely not an inferior or shoddy material. It is not synthetic wood. It is rearranged wood, having the major wood characteristics, but being without some of the disadvantages of wood and having many unique characteristics of its own. To a very considerable extent, the great expansion of hardboard use in cabinets, in furniture, and many other fields covered by these bills is due to the fact that its unique characteristics make for better quality products.

(4) *Hardboard is used with or in place of other forms of wood.*—Because of its characteristics that resemble those of other wood products, hardboard is similar in uses and can be and is used widely in many fields where forms of wood like lumber and plywood are used. As the U.S. Tariff Commission found (March 1955 report, p. 13):

"Hardboard shares the market with plywood and lumber in a large and growing variety of uses, including \* \* \* (with lithographed simulated wood grain) in flush doors and television cabinets."

Thus, hardboard is and always has been used like lumber and plywood, as concrete form faces, in outdoor signs, as exterior siding on buildings, in furniture, store fixtures and cabinetwork, as flooring and in boat hulls, in incubators, brooders, shipping containers, telephone booths and as shingles, in baby carriages and caskets, and in countless other uses where lumber and plywood have also been used. It is regularly used in some of the finest TV and radio cabinets and furniture that is made.

(5) *Hardboard has always been described as a form of wood.*—One of the first Masonite salesmen, and later its vice president in charge of sales, has testified under oath:

"When I first went into the field to sell hardboard, I found that the best approach to selling hardboard to lumber dealers was to present it to him as another dimension and thickness of lumber itself \* \* \* It was used in practically every way that lumber was used in those days. In other words, it took its place along with lumber with the consumer."

Hardboard in essence is grainless A-grade lumber—"manufactured lumber," as an early wholesaler advertised it. It has always been used with, or in lieu of, and directly competes with, lumber and plywood. A piece of pre-1930 hardboard in existence is labeled "Tough, nonwarping, moisture-resisting woodboard."

In Government circles hardboard is also recognized to be wood. The Army and Navy Munitions Board "List of Prohibited Items for Construction Work," issued November 8, 1943, under the heading "Wood," prohibited use of hardboard,

except for bench tops for assembly of precision instruments, prefab buildings used outside United States, reflectors, and hospital wainscoting. In the War Production Board's schedule A to its controlled materials regulation 6, which during World War II in limiting construction, prohibited use of critical materials in construction, under the heading "Lumber and Lumber Products," it prohibited the use of hardboard. The Defense Production Authority's expansion goal No. 96, issued May 13, 1952, provided a \$50 million expansion program for the "lumber and wood products" industry, which included hardboard.

Since it was first made in 1926 hardboard has always been and now is merchandised and sold as a "wood" product, by the use of such expressions as "Made from wood," "wood made better," "The better, wonder wood," "Grainless wood," "Wood that improves on nature's best," "The wonder wood of a thousand uses," and the like.

The basic patent describes hardboard as "a coherent, grainless, homogeneous, hard, stiff, and strong body of wood," "a grainless, hardboard composed of wood," "a grainless wood product," etc.

Hardboard has always been and is sold under such names and registered trademarks as "Allwood" (Hines Lumber), "Presdwood" (Masonite), "Superwood" (Superwood), "Lustrewood," "Ridgewood," "Panelwood," and "Leatherwood" (Masonite).

Under these circumstances, where hardboard has been characterized as "wood" uniformly by technicians, consumers, dealers, courts, Government agencies and producers, the proposed bills are grossly in error in classifying hardboard as a "nonwood" material. The prejudice to hardboard that can flow from such a legislative misclassification is especially severe, because of the widespread adverse effect it would have on hardboard in many fields of use.



COMPARATIVE PHYSICAL PROPERTIES OF VARIOUS MATERIALS

	HARDBOARD	WOOD	PLY WOOD			PAPERBOARD			WALLBOARD			INSULATION			COMPOSITE
	MADE IN U.S.A. STANDARD PULPWOOD	MADE IN U.S.A. SOUTHERN YELLOW PINE	1" x 6" DOUGLAS FIR	1" x 6" DOUGLAS FIR	1" x 6" DOUGLAS FIR	CORRUGATED LINERS	CORRUGATED FILLERS	CORRUGATED FILLERS	CORRUGATED LINERS	CORRUGATED FILLERS	CORRUGATED FILLERS	1/2" x 3/8" SERVICE BOARD	1/2" x 3/8" SERVICE BOARD	1/2" x 3/8" SERVICE BOARD	5/8" x 1/2" SERVICE BOARD
WEIGHT (LBS 30 FT) CALIPER (INCHES)	708 134	852 134	872 251	872 251	872 251	528 048	034 052	041 042	104 104	104 104	104 104	378 378	378 378	378 378	378 378
SPECIFIC GRAVITY	101	134	70	67	53	48	48	42	61	61	61	61	61	61	61
DRY MOR (PSI)															
WITH	8360	14,320	10,900	9940	9940	599	162	109	137	141	136	328	328	328	328
ACROSS	8370	14,000	9,425	3,480	3,480	528	048	034	052	041	042	104	104	104	104
AVERAGE	8375	14,165	9,613	4,990	7,950	599	162	109	137	141	136	328	328	328	328
WET MOR (PSI)															
WITH (100% H <sub>2</sub> O)	5880	12,730	11,400	7000	3240	599	162	109	137	141	136	328	328	328	328
WITH (40% H <sub>2</sub> O)	3480	7820	6340	5390	5340	599	162	109	137	141	136	328	328	328	328
RESIDUAL STRENGTH, %															
AFTER 1 HR IN H <sub>2</sub> O	88	88	67	53	53	599	162	109	137	141	136	328	328	328	328
AFTER 24 HR IN H <sub>2</sub> O	58	58	55	54	53	599	162	109	137	141	136	328	328	328	328
MODULUS OF ELASTICITY, PS															
WITH	844,000	1,570,000	1,300,000	910,000	930,000	599	162	109	137	141	136	328	328	328	328
ACROSS	482,000	1,400,000	987,000	762,500	415,000	599	162	109	137	141	136	328	328	328	328
AVERAGE	542,000	1,330,000	1,040,000	543,000	671,500	599	162	109	137	141	136	328	328	328	328
BOND STRENGTH (PS)	232	930	542	199	194	599	162	109	137	141	136	328	328	328	328
TENSILE STRENGTH, PS															
WITH	4150	7560	10540	4040	2900	599	162	109	137	141	136	328	328	328	328
ACROSS	3770	8140	3945	4700	5140	599	162	109	137	141	136	328	328	328	328
AVERAGE	3960	7850	7123	4370	4020	599	162	109	137	141	136	328	328	328	328
WATER ABSORPTION, %															
UPPER 1 HOUR	3.3	1.5	10.1	18.0	18.2	599	162	109	137	141	136	328	328	328	328
SMALL 1 HOUR	1.9	0.8	1.3	3.3	1.6	599	162	109	137	141	136	328	328	328	328
UPPER 5 HOURS	6.5	3.1	17.0	29.5	29.5	599	162	109	137	141	136	328	328	328	328
SMALL 5 HOURS	3.7	1.5	2.5	5.3	2.4	599	162	109	137	141	136	328	328	328	328
UPPER 24 HOURS	16.7	8.3	28.4	35.6	37.6	599	162	109	137	141	136	328	328	328	328
SMALL 24 HOURS	10.4	8.2	4.6	6.9	4.3	599	162	109	137	141	136	328	328	328	328
WATER ABSORPTION, PS															
UPPER 1 HOUR	11	41	44	44	44	599	162	109	137	141	136	328	328	328	328
SMALL 1 HOUR	62	313	132	132	132	599	162	109	137	141	136	328	328	328	328
UPPER 5 HOURS	148	148	148	148	148	599	162	109	137	141	136	328	328	328	328
SMALL 5 HOURS	148	148	148	148	148	599	162	109	137	141	136	328	328	328	328
UPPER 24 HOURS	148	148	148	148	148	599	162	109	137	141	136	328	328	328	328
SMALL 24 HOURS	148	148	148	148	148	599	162	109	137	141	136	328	328	328	328

Mr. MACK. Thank you very much for your testimony.

Mr. Victor Marsh of Marsh Wall Products, Inc., of Dover, Ohio.

**STATEMENT OF VICTOR R. MARSH, EXECUTIVE VICE PRESIDENT  
AND GENERAL MANAGER, MARSH WALL PRODUCTS, INC., DOVER,  
OHIO**

Mr. MARSH. Mr. Chairman, and members of this committee, you have these envelopes with the literature and samples and so on and with the reference that is made in my statement here, you will be familiar with it.

Now, in the interest of conserving time, I am sorry I do not have time to go through this because there is a lot of interesting material and new material that has been developed but, of course, the thing that we object to and the whole reason for having to go through the establishment of fact here is that is a better material than that which is calling the kettle black.

They want it to be branded as imitation, as fake, as they call it or simulation. It doesn't make much difference what you call it, they are just playing with words.

In one case you say something smells and in another case you say it stinks. Well, "imitation" stinks but "simulation" still smells as far as we are concerned in trying to describe a product made by a reputable manufacturer, and there are plenty of them, of course, and whose products are properly described.

So I will, with the permission of the chairman and the committee, I will just take a few excerpts from my statement but I would like the whole statement included.

Mr. MACK. Without objection, the entire statement will be included in the record.

(Statement of Victor R. Marsh follows:)

**STATEMENT OF VICTOR R. MARSH**

I am Victor R. Marsh. I am executive vice president and general manager of Marsh Wall Products, Inc., of Dover, Ohio. I appear on behalf of my company in opposition to H.R. 1141 and H.R. 1949, the so-called decorative hardwood or simulated hardwood products labeling bills.

My company grew out of the Marsh Lumber Co. of Dover, Ohio, a producer of hardwood lumber and lumber products. The Marsh Lumber Co. has been in business for 47 years. It is today one of the largest hardwood lumber producers in Ohio. My brothers and I are still corporate officers of Marsh Lumber Co., Inc.

Our plastic-finished panel business began in 1931 as a division of the Marsh Lumber Co. In 1937 it was incorporated under the name Marsh Wall Products, Inc. Since 1948 it has been a subsidiary of Masonite Corp.

Marsh Wall Products, Inc., manufactures exclusively plastic finished panels and accessories. Our panels consist of Masonite hardboard panels processed by my company in a variety of decorative designed panels, with a high heat-baked, melamine-type plastic finish, which gives the product an attractive, soil-proof, durable, easy-to-clean surface. The base material of our panels has always been a Masonite hardboard which is an all-wood panel product. Our products are sold through industrial, commercial, and lumber and building material channels. They are used in wall and other paneling in private residences, commercial stores and establishments, public buildings, military construction, and are incorporated in a great variety of products, including furniture, cabinets, tables, rail passenger cars, boats, buses, movable partitions, etc.



Since 1935, my company has used the registered trademark "Marlite" as descriptive of its plastic finished panels of all patterns and designs. This registered trademark has been widely and consistently advertised and is known throughout the world as a name connoting the type of plastic-finished panels which we manufacture.

Our line of plastic-finished panels includes a great many kinds of decorative designs, such as star patterns, butterfly patterns, abstract patterns, patterns of various kinds of marbles, fabric, wood grains, stone, and solid colors. The number of different patterns which we have manufactured is almost endless and would be in the thousands. Our general catalog, copy of which you have, illustrates many of these basic kinds of patterns, of which the wood-grain patterns are considerably in the minority.

For over 25 years we have used wood-grain patterns on some of our panels, and have described them in various ways. Beginning in 1935, we used the registered trade name of "Marshwood" to describe the wood-grain patterns on our wood-design panels, which were produced by a decalcomania process. For over 10 years we have used the trade name "Woodpanel" to describe our line of plastic-finished panels with wood-grain designs. This is a coined word, which we have used in connection with several hundred different wood-grain patterns; many special wood-grain patterns were developed for and used by specific furniture and other manufacturers, while others were sold to the general trade. We have also used the registered trademark "Mirrowood" for the last several years to describe a high-polished mirrorlike type of plastic-finished panel with a wood-grain design, used for table and furniture tops. More recently, we have used the registered trademark "Trendwood" to describe a relatively few new wood-grain patterns which, together with many other designs, colors, and patterns, we have developed through the cooperation of American Color Trends, a firm of color and design experts. We have also used Raymond Loewy Associates and other design and color experts to help us establish acceptable designs and colors for our Marlite. They have evaluated and suggested many colors, patterns, and designs for our decorative Marlite surfaces, among which were some wood-grain patterns and colors.

All of these plastic-finished panels, whether of star, butterfly, abstract, marble fabric, wood grain, stone, or other designs, are exactly the same functionally, being made of a masonite hardboard base with a melamine-type plastic design and finish. Our panels and our Marlite trade name are known throughout the world. Our advertising, promotion materials, and other descriptive literature, for trade factors, consumers, and others, examples of which are displayed in the hearing room, have always been carefully designed to accurately describe the nature of our products and our trade names are well known and identified with the products we manufacture.

Perhaps the best evidence of the complete lack of any deception or misrepresentation with respect to our products that bear wood-grain designs is the fact that in 25 years of producing wood-grain-design Marlite panels, involving many millions of square feet of materials and hundreds of thousands of transactions, we have never, to my knowledge, had any customer complaints or lawsuits with respect to purchasers and users being deceived into believing that they were receiving products other than what we have represented. To my knowledge, the same statements would hold true for other prefinished hardboard panel products which are competitive with Marlite.

In fact, the only public suggestion of misrepresentation of our products that has come to my attention was by a witness in hearings before a Senate committee and this committee on this same legislation in the 86th Congress.

In hearings before the Senate Interstate and Foreign Commerce Committee, on S. 1787, a hardwood products labeling bill comparable to the bills before this committee, held in August 1959, a witness for the Pine Hardwoods Association submitted to that committee what he contended was an invoice of my company, a sample of our products bearing a "natural walnut" design, and one of our advertising folders describing our random plank. While he implied strongly that the alleged "invoice" of our product, sample, and our advertising folder were deceptive, I note that the bill reported by that Senate committee omitted any invoicing requirements, with the full consent and accord of that particular witness shown on page 50 of the committee reprint. The pending bills before your committee now also omit regulation of invoicing.

Nevertheless, I should like to take this opportunity to point out the errors into which that witness inadvertently fell concerning the exhibits he presented.

In the first place, the so-called invoice W74027 which he presented was not an invoice, but a (W) warehouse packing slip given the man who picked up the merchandise at our Chicago warehouse. I have with me a copy of the actual invoice in question, our invoicing being done from our main office in Dover, Ohio. The particular transaction involved a single Marlite plastic-finished panel denoted by our trade name "Woodpanel," finished in "No. 100 natural walnut" design and color. Our customer was David Plywood, a plywood products dealer, located in Skokie, Ill. We have sold David Plywood for a number of years and are continuing to sell them to this day without any complaint, to my knowledge, on its part as to the nature of the products which it has purchased from us. The packing slip shows that the customer of David Plywood was one John Walsh, who, our investigation discloses, is a salesman employed by the R. C. Bacon Veneer Co., 4702 West Augusta Boulevard, Chicago, Ill., a company engaged in manufacturing and selling fine hardwood veneers and hardwood products. Our customer was David Plywood, 8228 North McCormick, Skokie, Ill. We did not sell to John Walsh, who is apparently a customer of David Plywood. That is to say, our invoice from Dover, Ohio, went to David Plywood and was paid by that company.

In any event, it is apparent that both David Plywood and John Walsh are professional wood veneer people and obviously knew what they were buying, for, to my knowledge, we have had no complaints from either of them. I mention this because David Plywood purchased Marlite plastic-finished wall panels in various designs and patterns before, and continuously since August 1959, for other of their customers. The particular packing slip reproduced on page 47 of the Senate committee reprint of the August 1959 hearing, clearly points out that we are the "exclusive manufacturers of Marlite plastic-finished wall panels," and that is what David Plywood picked up pursuant to the packing slip in question, and on which it was subsequently invoiced for \$7.56.

The sample undoubtedly bore the words "Woodpanel—natural walnut," but also bore further descriptions of the nature of our product which the record does not show. I have with me a standard sample of that product, which is labeled "This is a sample of plastic-finished Marlite Woodpanel for creating beautiful interiors, natural walnut No. 100," which is the number of that particular design and color combination.

The advertising folder which he presented shows our Marlite trademark, refers to the "baked melamine plastic finish" on our product, points out that the new Trendwood finishes had been styled exclusively for us by American Color Trends, and lists each of the names we have used to identify the new designs and colors. For example, the same walnut-grain design is furnished in two colors called American and Swiss, and the same cherry-grain design is furnished in two colors, called Italian and Swedish.

When I appeared before this committee in June 1960, I pointed out that David Plywood had in May 1960, made two "token purchases" of one panel each of trade name Marlite plastic-finished Woodpanel, indicating the name of the same John Walsh as its customer. At that time, I predicted that the committee might also be hearing about those purchases. I was correct in that point for the same witness again presented another "invoice" covering that May 24, 1960 purchase, his testimony being on page 17 and the so-called invoice being reproduced on page 29 of this committee's reprint of the June 1960 hearings.

Again, the so-called invoice W18475, which he presented to this committee, was not an invoice, but again was simply a (W) warehouse packing slip, as plainly printed on the slip itself, which was given the man who picked up the merchandise at our Chicago warehouse. Again, I have with me a copy of the true invoice in question, sent out from our Dover office, the particular transaction involving a single Marlite plastic-finished Wallpanel denoted by our trade name "Woodpanel," finished in "No. 100 natural walnut" design and color. Again our customer was David Plywood of Skokie, Ill. Again its customer was John Walsh of the R. C. Bacon Veneer Co. Again the true invoice indicated that we were the "exclusive manufacturers of Marlite plastic-finished wall panels." Again the price paid was \$7.56.

These two token purchases referred to by the witness in these two hearings indicate a deliberate misrepresentation of facts, and an attempt to throw dust in the eyes of this committee and the Senate committee. In each case the purchasers were professional buyers of and thoroughly familiar with veneers, plywood, and other wood-product panels such as Marlite. In neither case was there the slightest misrepresentation or deception, or complaints to my company.



While the witness may have been confused, the buyer in question and the public is not confused by our sample and advertising set forth in the Senate and House committee reprints. In fact, what the consumer understands is the nature of our product, and the meaning of our trademarks can perhaps best be determined by an analysis of the advertisements of well-known department and furniture stores across the country in describing furniture incorporating our Marlite plastic-finished panels. I append to my statement an analysis of such advertisements which we regularly receive from a clipping service that appeared in newspapers across the country during the past 18 months and which ads are displayed on the walls of the hearing room.

I wish it to be clearly understood that the advertising copy on all these ads in every case was written by the store or by its advertising agency without our knowledge or participation. These consumer ads of furniture with wood-grain designs and colors incorporating our products reflect what the consumer reads about our products written by those who sell it at the retail level. I repeat that we had no knowledge of the writing, preparation, or publication of these ads until we received copies of the actual ads; moreover, we have no program of cooperative advertising.

Through the same clipping service, my company receives voluminous quantities of newspaper stories from cities all over this country, which newspaper stories are telling the story of Marlite and prefinished wall panels for use in homes, office buildings, food and variety stores, buses, movable partitions, and the many other uses to which prefinished panels in variety of design and colors can be adapted. These news stories are descriptive of products incorporating hardboard with various patterns including wood-grain designs, such as our Marlite plastic-finished wood panels, which clippings I have not reproduced here for the committee, but have displayed on the walls of the hearing room for your inspection. The point of it, in my judgment, is that the consumer is being told in plain, understandable language by advertising, news stories, and by many other media, the true nature of the product which he is buying, which brings us to the basic objection to mandatory labeling instead of permitting voluntary labeling to go on.

We feel that voluntary labeling is much more effective and informative, as is indicated by our efforts to thoroughly acquaint the public of the true nature of our products and their properties. We have furnished millions of descriptive labels to manufacturers who use our plastic-finished designs, wood grain, and colors in their products to place on their manufactured articles. These labels read as follows:

Beautiful • Durable • Easy-To-Clean



**Marlite®**  
PLASTIC SURFACES

Heat-resistant melamine plastic finish unharmed by alcohol, juices, boiling water. Takes years of wear, minutes of care!



Remove label with lighter or cleaning fluid

No one reading this label could possibly be confused or misled into thinking he is getting other than Marlite plastic-finished design panels, regardless of the pattern.

All of the above clearly indicates that there is no need for any legislation such as the bills pending before this committee.

In order that there may be no question about how we advertise, and have been advertising our products, I have with me a file, for each of the committee, containing representative advertisements and descriptive literature that will bear out what I have said, many of which are displayed on the walls of the hearing room.

My company was a pioneer in the development of plastic-finished panels, which are not only attractive and beautiful, but can be easily erected, cleaned, and maintained. Our business on all designs of Marlite has grown tremendously because there is a great public demand for attractive, durable, easy-to-clean surfaces, all of which are provided by Marlite panels. Our products are widely used and find great acceptance in homes, stores, public buildings, furniture, and other manufactured and fabricated products in every city of the United States, and are specified by leading architects and designers. Marlite is made in accordance with commercial standards CS 176-58, covering prefinished hardboard wall panels.

Testimony and exhibits presented to this committee have been focused on our products and our company. Under these circumstances, and considering the facts and exhibits which I have presented, it is surprising to me that anyone would try repeatedly to justify the need for this type of bill based upon our products or our advertising or our packing slips.

As a producer of plastic-finished panels and also being closely associated as a producer of hardwood lumber and even fine hardwood veneer logs, I am opposed to these pending bills for a number of other reasons:

In the first place, I am opposed to any legislation for the benefit of any special group which uses the Government to hobble its competitors and impede technological progress. These bills, in my opinion, are designed to protect only the business of the producers of fine hardwood veneers in their competitive struggle with other more acceptable materials in the furniture and wall-paneling field. They would compel any material with a simulated wood grain design or color to be labeled not simply what it is, but as "simulated" hardwood. This is, of course, a wide departure from any prior labeling acts that I know of, and would confine the use of the names and designations pertaining to any hardwood as the exclusive property of the fine hardwood veneer people. It would be absurd and unfair to the public to permit the one "special interest group" to build a fence around generic terms, such as walnut, cherry, olive, or gum, which are often used to denote a color or texture.

Some walnut is bleached almost white or stained and painted black to where, in some cases, the original character and grain is beyond recognition. In other words, color becomes more important than the grain, substantiating our position that even a fine hardwood veneer, regardless of name, is only a paper thin decorative surface in which the true appearance and texture often is distorted beyond recognition. These same decorative effects are available in other fine materials, such as our Marlite patterns and finishes, which have better properties, require no additional finishing, cost less, and do the public a lot more good. Why should the public be influenced against the advantages of these technological advancements simply because one special interest group wants to take generic, descriptive words out of our English language for their own private use?

It is incomprehensible to me how the sponsors of these bills, the special (fine hardwood veneer) group, can expect the Congress to discriminate against all other materials used in the furniture and wall-paneling field by compelling others to disclose by label the composition of all underlying materials, but to virtually exempt the same underlying materials, if covered by their product (a playing-



card-thin  $\frac{1}{64}$ -inch-thick sheet of "fine hardwood veneer"); otherwise stated, the presence of a thin hardwood veneer, which, by its very name, covers a poorer underlying material, should not circumvent the necessity for disclosure of either the species of veneer or the underlying material. I want to emphasize that any labeling bill in the hardwoods field should treat all materials and all underlying materials in the same manner.

It is equally incomprehensible to me why softwood is exempted from this bill. Does this mean that a subsequent bill will cover softwood? Or does this mean that the softwood manufacturers are not interested in such a bill? Or, does it mean that a simulated softwood finish is not deceptive, whereas a simulated hardwood finish is? This omission, in my opinion, is a basic fallacy in these bills.

A further indication that this legislation is designed for the benefit of a special group is evidenced by the very important fact that many, and perhaps all, major manufacturers' and merchants' organizations who will be affected by this legislation have registered strong opposition to the passage of these bills: namely, the Southern Hardwood Producers, Hardwood Dimension Manufacturers Association, Southern Furniture Manufacturers Association, National Association of Furniture Manufacturers, Furniture Manufacturers Association, National Oak Flooring Manufacturers Association, American Hardboard Association, National Retail Furniture Association, National Wholesale Furniture Association, Furniture Manufacturers Association of Grand Rapids, and a host of other manufacturers' wholesale and retail associations, all of whom would stand to be burdened tremendously by the implications and provisions of this bill just for the sake of appeasing the "fine hardwoods" group who may or may not be supplying  $\frac{1}{64}$ -inch or  $\frac{1}{32}$ -inch fine hardwood veneers as a decorative covering for materials these manufacturers will be using in the products they make or sell. Practically all of these substantial manufacturers and retailers who are opposed to this legislation are important large potential consumers of fine hardwood veneers, and in the interests of goodwill and good selling, we cannot understand why the veneer people would antagonize this important segment of their business by pressing to impose such a burden as the labeling act carries with it—and this would be forever, unless the law would be repealed.

Moreover, I do not see how it would be physically possible to effectively police such a law because of the almost endless number of articles being made with a wood grain design from book covers to vacuum cleaners, as well as wall panels. The best estimates from the Federal Trade Commission indicate an enforcement budget of approximately \$1 million a year to enforce this unnecessary legislation. I think taxpayers generally would rebel if they knew they were being asked to carry such a burden.

These bills, besides reflecting a paternalistic governmental attitude, actually tend to insult the intelligence of the American buying public, as the evidence shows the public can be and is being properly and adequately informed by voluntary advertising and labeling; that the public is not being misled, and that they do understand what they are buying; therefore, the proposed "labeling" bills would, in reality, tend to confuse the issue rather than clarify it.

I want to thank this committee for your attention and for the privilege of appearing before you.

## APPENDIX TO VICTOR R. MARSH STATEMENT

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
May 17, 1961, Register Guard, Eugene, Oreg.	Rubensteins: Knee-hole desk.	Woodgrained Marlite top resists scratches, stains, alcohol. Walnut or limed-oak finish, brass tipped ferrules.
May 8, 1961, News, Philadelphia, Pa.	Lits: Mar-resist desk.....	Woodgrain Marlite top resists stains, etc. Walnut or blond finish.
Apr. 24, 1961, Pioneer-Press, St. Paul, Minn.	Golden Rule: Marlite student desk.	Plasticized finish Marlite woodgrain top resists acids, coffee, heat, scratches, stains, alcohol. Walnut or blond finish.
Mar. 27, 1961, Star, Washington, D.C.	The Hecht Co.: Desk.....	Big 40-inch mar-resistant top desk in choice of 2 handsome finishes. Handsome styling. Practical easy-care wood-grained desks. Marlite top resists scratches, stains, alcohol. Ideal piece of furniture for your study, hall, den. Walnut or blonde finish, brass-tipped legs.
Mar. 22, 1961, Telegram, Bridgeport, Conn.	Read's, Bridgeport: Desk.	Big 40-inch mar-resist Marlite top desk. Handsome styling—practical easy-care wood-grained Marlite top resists scratches, stains, alcohol. Walnut or blond finish wood with brass-tipped legs.
Mar. 19, 1961, Star, Washington, D.C.	The Hecht Co.: Desk.....	45-inch big 2-drawer attractive desk has stain resistant Marlite top. Wood-grained Marlite top resists scratches, stains, alcohol. Simulated walnut or limed-oak finish.
Mar. 19, 1961, Bulletin, Philadelphia, Pa.	Snellenburgs: Desk.....	Big 40-inch modern slim line! Mar-proof plastic resists scratches, stains, alcohol! Marlite top desk. Practical easy-care wood-grained Marlite top resists scratches, stains, alcohol; is practically impervious to cigarette burns. Walnut or blond with brass-tipped legs.
Mar. 1, 1961, News, Washington, D.C.	Lansburgh's: Student desk.	Marlite top student desk. Gleaming wood-grained Marlite top resists scratches and stains—takes a lot of use. Simulated walnut or limed finish.
Feb. 27, 1961, Tribune, Minneapolis, Minn.	Donaldson's: Student desk.	Marlite top student desk. Limed-oak or walnut look. Marlite top resists scratches, stains. Plasticized finish Marlite wood-grain top resists acids, coffee, heat, scratches, stains; wipes clean with damp cloth.
Feb. 26, 1961, Inquirer, Philadelphia, Pa.	Lits: Modern desk.....	40-inch mar-resistant Marlite top modern desk. Wood-grained Marlite top resists scratches, stains, and beverages. Walnut or blond finish.
Feb. 26, 1961, Mirror, New York, N.Y.	Gimbels: Student desk....	Student desk with mar-proof top, 2 large drawers. Beautiful wood-grained Marlite plastic top won't scratch or stain. Choice of walnut or limed-oak finish.
Feb. 22, 1961, Dispatch, Columbus, Ohio.	Morehouse Fashion: Desk.	Big 40-inch mar-resistant desk with Marlite top. Practical, easy-care wood-grained Marlite top resists scratches, stains, and alcohol. Blond, mahogany or walnut finish with brass-tipped legs.
Feb. 19, 1961, Journal-American, New York, N.Y.	Sterns: Desk.....	Big 40-inch mar-resistant Marlite top desk. Handsome styling. Practical easy-care wood-grained Marlite top resists scratches, stains, alcohol. Walnut or blond finish with brass-tipped legs.
Feb. 19, 1961, Beacon Journal, Akron, Ohio.	Onell's: Occasional tables.	Marlite tables. Wonderful Marlite tables with heat, scratch, and stain-resistant tops. In lovely walnut or blonde finish.
Feb. 12, 1961, News, Dallas, Tex.	Titche's: Student desk....	Student desk with Marlite top that resists heat and stain. Special purchase savings on blond, mahogany or walnut finish.
Feb. 12, 1961, Mirror, New York, N.Y.	Sterns: Desk.....	Big 40-inch mar-resistant Marlite top desk. Practical easy-care wood-grained Marlite top resists scratches, stains, alcohol. Walnut or blond finish with brass-tipped legs.
Jan. 29, 1961, Herald Tribune, New York, N.Y.	Gimbels: Student desk....	20 by 45-inch mar-proof Marlite top, wood-grained. Marlite plastic top is stain-resistant, too—walnut or limed-oak finish.
Jan. 29, 1961, Times, New York, N.Y.	Sterns: Desk.....	Big 40-inch mar-resistant Marlite top desk. Practical easy-care wood-grained Marlite top resists scratches, stains, alcohol. Walnut or blond finish with brass-tipped legs.



## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Jan. 17, 1961, Oregonian, Portland, Oreg.	Meier & Frank Co.: Desk.	Modern style desk. 45- by 20-inch wood-grained Marlite top resists scratches and stains. Mahogany or walnut finish.
Jan. 12, 1961, Long Island Press, Jamaica, N.Y.	Newberrys: Occasional tables.	Modern tables with no-mar tops. Sleek contemporary design tables with mar-proof Marlite wood-grained tops—blonde, mahogany or walnut finish.
Jan. 11, 1961, Post, New York, N.Y.	Gimbels: Desk.....	20- by 45-inch Marlite-top student desk. Wood-grained Marlite plastic top, won't stain or scratch. In walnut or limed-oak finish.
Jan. 8, 1961, Inquirer, Cincinnati, Ohio.	Rollman's: Occasional tables.	Stain proof. Heat proof. Marlite top tables. Occasional table with wood-grain finish in walnut or limed oak. Marlite tops resist heat, scratches, alcohol.
Jan. 2, 1961, Beacon Journal, Akron, Ohio.	Polsky's: Desk.....	No-mar Marlite top desk. Order walnut or limed-oak finish. Alcohol, stain, scratch resistant. Sturdy desk 40- by 18- by 29-inch. Wood-grain Marlite top that resists staining and scratching. Walnut or limed-oak finishes.
Jan. 1, 1961, Herald Tribune, New York, N.Y.	Gimbels: Desk.....	Large student desk has scratch-proof Marlite top. Wood-grained Marlite plastic top, won't stain or scratch, provides plenty of work space—in walnut or limed-oak finish.
Dec. 14, 1960, Press, Binghamton, N.Y.	Fowler's: Desk.....	Marlite top modern desk. Genuine Marlite wood-grained top. In blonde or walnut finish.
Dec. 13, 1960, Beacon Journal, Akron, Ohio.	Oneil's: Desk.....	Modern desk with Marlite top. Walnut or limed-oak finish with rich hardware, brass-tipped tapered legs, and scuff-resistant wood-grained Marlite top.
Dec. 11, 1960, Post & Times Herald, Washington, D.C.	The Hecht Co.: Desk.....	45-inch giant 2-drawer desk with stain resistant Marlite top. Wood-grained Marlite top resists scratches, stains, alcohol. Simulated walnut or limed-oak finish.
Dec. 4, 1960, American, Baltimore, Md.	.....do.....	Marlite top desk. Simulated walnut. Wood-grained Marlite top is scratch-and-stain resistant.
Dec. 2, 1960, Citizen Patriot, Jackson, Mich.	Stillman's: Book case.....	Room divider book case: Wood-grained mar-resistant top, resists scratches and stains. Choose modern walnut, mahogany, or limed-oak finish.
Nov. 13, 1960, Inquirer, Philadelphia, Pa.	Lit Bros.: Desk.....	Full-size desk with gleaming mar-proof Marlite top and handy reversible drawer. Genuine Marlite high-gloss wood-grained top is mar proof. Blond or walnut finish.
Nov. 3, 1960, News & Times-Post, Port Washington, N.Y.	Newberrys: Occasional tables.	Modern occasional tables. Sleek contemporary design. Mar-proof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Nov. 2, 1960, Newsday, Garden City, N.Y.	.....do.....	Modern occasional tables. Sleek contemporary design. Mar-proof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Oct. 30, 1960, Post & Times Herald, Washington, D.C.	The Hecht Co.: Desk.....	47-inch huge 4-drawer desk with stain-resistant Marlite top. Handsome wood-grained Marlite top resists stains, scratches, alcohol. Walnut and limed-oak finishes.
Oct. 26, 1960, Journal-American, New York, N.Y.	Gimbels: Desk.....	Student desk, wood grained mar-proof Marlite top, 2 drawers. Contemporary design in walnut or limed-oak finish, brass trim and no-mar top.
Oct. 24, 1960, Capital Journal, Salem, Oreg.	Meier & Frank Co.: Desk.	Modern style desk: Wood-grained Marlite top resists scratches, scuffs, and stains. Available in maple, walnut, limed-oak or mahogany color.
Oct. 23, 1960, Mirror, New York, N.Y.	Gimbels: Desk.....	Student desk has mar-proof top, 2 large drawers. Wood-grained Marlite top, walnut or limed-oak finish.
Oct. 16, 1960, Mirror, New York, N.Y.	Gimbels: Desk	Giant 47-inch wide desk has scratch-resistant Marlite top. Has handsome wood-grained top and new drawer arrangement. Walnut or limed-oak finish.
	Record cabinet.....	Has scratch-resistant Marlite top. In mahogany, walnut, or oak finish.

## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Oct. 13, 1960, Sunybrook Sun, Oreland, Pa.	Snellenburgs: Desk.....	Wooden Marlite top desk resists stains. Wood-grained top of Marlite resists average abuse, keeps its shiny look for years. Limed-oak or walnut.
Oct. 3, 1960, Plain Dealer, Cleveland, Ohio.	Sterling Lindner: Desk...	Mar-resistant Marlite 2-drawer desk only. Wood-grained top resists stains and scratches. Limed oak or walnut finish.
Oct. 3, 1960, Daily News, New York, N.Y.	Gimbels: Desk.....	Versatile desk is extra-sturdy has Marlite top, 2 big drawers. Wood-grained mar-resistant top, walnut or limed-oak finish.
July 10, 1960, Daily News, New York, N.Y.	Sterns: Desk.....	Giant 47-inch mar-resistant Marlite top desk. Handsome styling practical easy-care wood-grained Marlite top resists scratches, stains, alcohol. Walnut or limed-oak finish.
July 10, 1960, Star, Washington, D.C.	The Hecht Co.: Desk.....	45-inch giant 2-drawer desk with stain resistant Marlite top. With wood-grained Marlite top which resists scratches, stains, alcohol, etc. Simulated walnut or limed-oak finish.
July 5, 1960, World-Telegram & Sun, New York, N.Y.	Sterns: Occasional tables..	Marlite-top tables: Wood-grained walnut or limed-oak finish can take plenty of wear, but little care. Marlite resists heat, alcohol, juice, scratches, boiling water—it's child-proof.
June 5, 1960, Bulletin, Philadelphia, Pa.	Sterns: Occasional tables..	Modern limed-oak tables. Genuine Marlite top tables in modern limed-oak finish.
May 30, 1960, News, Dayton, Ohio.	Booth's: Desk.....	With Marlite top. Big 47-inch desk. Handsome wood-grained top resists stains, scratches, etc. Walnut or limed oak.
Apr. 11, 1960, Plain Dealer, Cleveland, Ohio.	Sterling-Lindner: Occasional tables.	No-mar tops. Tables for beauty and duty. Smartly styled in blonde, walnut, or mahogany finishes. Marlite plastic tops resist scratching and staining.
Apr. 10, 1960, Daily News, New York, N.Y.	Sterns: Desk.....	Mar-resistant Marlite top desk. Practical easy care wood-grained Marlite top resists scratches, stains, alcohol.
Apr. 3, 1960, Daily News, New York, N.Y.	Gimbels: Desk.....	Versatile desk has mar-proof top. Has wood-grained Marlite top, walnut or limed-oak finish.
Apr. 2, 1960, Express & News, San Antonio, Tex.	Karotkins: Occasional tables.	Danish walnut tables with Marlite plastic tops. Graceful tables in soft, beautiful Danish walnut with stain and burn resistant Marlite plastic tops.
Mar. 27, 1960, Daily News, New York, N.Y.	Sterns: Desk.....	Mar-resistant Marlite top desk. Practical easy care wood grained Marlite top resists scratches, stains, alcohol. Walnut or limed-oak finish with brass tipped legs.
Mar. 24, 1960, Advance, Lynchburg, Va.	Guggenheimer's: Occasional tables.	Marlite top tables. Superb Marlite tops—fine furniture wood grain finish. Meets every decorating need. Marlite tops resist stains, scratches, heat, alcohol—almost indestructible. As practical as they are handsome.
Mar. 20, 1960, Bulletin, Philadelphia, Pa.	Sterns: Modern or traditional tables.	Marlite plastic surfaces, traditional tables in mahogany finish. Mar-proof Marlite tops, shelves.
Mar. 20, 1960, Inquirer, Philadelphia, Pa.	Snellenburg's: Desks.....	Marlite top 2-drawer desk. Handsome all wood frame desk with 2 spacious drawers, brass-tipped legs and handles. Wood-grained Marlite top resists scuffs, scratches, stains. Limed-oak or walnut finish.
Mar. 20, 1960, Long Island Press, Jamaica, N.Y.	Newberry's: Occasional tables.	Modern tables with no-mar tops. Another great Newberry value: Sleek contemporary design tables with mar-proof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Mar. 20, 1960, Daily News, New York, N.Y.	Gimbels: Desk.....	Versatile desk is extra sturdy—has mar-proof top, 2 spacious drawers. Has wood-grained Marlite top. Choice of walnut or limed-oak finish.
Mar. 16, 1960, Times-Herald, Dallas, Tex.	Titcher's: Student desk....	Roomy Marlite topped student desks. Our student desk has a big, 760-square-inch top that's Marlite covered to resist stains, scratches, and burns. 29 inches high in walnut, mahogany, or blonde finish.



## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Mar. 13, 1960, Inquirer, Philadelphia, Pa.	Snellenburgs: Desks.....	Big 2-drawer wood frame desks, with scuff-resistant Marlite top. Wood-grained top resists stains, scuffs—keeps its shiny look. Wood-grained Marlite top resists scuffs, scratches, stain—keeps its shiny look. Lined-oak or walnut finish.
Mar. 12, 1960, News-Virginian, Waynesboro, Va.	Newberrys: Modern tables.	Modern tables with no-mar tops. Another great Newberry value! Sleek contemporary design tables with marproof Marlite wood-grained tops. Blonde, mahogany, or walnut finish.
Mar. 6, 1960, Bulletin, Philadelphia, Pa.	Sterns: Modern tables....	Marlite-top modern tables. Scratch-proof, alcohol-resistant Marlite top tables in modern lined-oak finish.
Mar. 4, 1960, Star-Gazette, Elmira, N.Y.	Iszard's: Modern tables...	Yes, genuine Marlite stainless-top modern tables. Won't stain. Won't scratch. Wipes clean. 3 supergrain finishes: Mahogany, lined oak. Solid brass ferrule tips on tapered hardwood legs. Marlite tops resist heat, scratches, alcohols.
Mar. 2, 1960, Plain Dealer, Cleveland, Ohio.	Sterling-Lindner: Occasional tables.	Look. Tables with no-mar tops. Smartly styled with Marlite plastic tops that resist scratching and stains. Blonde, walnut or mahogany finishes.
Mar. 1, 1960, Rocky Mountain News, Denver, Colo.	American Furniture Co.: Desk.	Lined oak finish. 47-inch giant size four-drawer desk with mar-resistant Marlite top. Marlite top offers wonderful working space—resists scratches, stains, and alcohol.
Feb. 29, 1960, Southern Illinoisan, Carbondale, Ill.	Illinois Brokerage: Desk...	Dunhill desk and chair ensemble with Marlite plastic desk top. Choice of 2 popular finishes, beigetone and walnut. Marlite exclusive feature for years of wear with minimum care. Marlite resists heat—Marlite resists boiling water—Marlite resists impact—Marlite resists fruit juices—Marlite resists alcohol.
Feb. 28, 1960, Post & Times Herald, Washington, D.C.	The Hecht Co.: Desk.....	Big 45-inch Marlite top desk. Practical Marlite top in lined-oak or walnut finish—resists juices, stains, scratches.
Feb. 21, 1960, Daily News, New York, N.Y.	Sterns: Occasional tables.	Durable. Low prices. Mar-resistant Marlite top tables. Fine furniture wood-grained warm-tone walnut or lined-oak finishes that take years of wear, yet just minutes of care. Heat resistant Marlite finish is unharmed by alcohol, juices, boiling water, scratches.
Feb. 17, 1960, Record, Wooster, Ohio.	Newberrys: Occasional tables.	Modern tables with no-mar tops. Another great Newberry value. Sleek contemporary design tables with marproof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Feb. 7, 1960, Daily News, New York, N.Y.	Sterns: Desk.....	Giant 47-inch mar-resistant Marlite top desk. Handsome wood-grained Marlite top resists scratches, stains, alcohol, etc., keeps its shiny new look. Walnut and lined-oak finishes.
Feb. 7, 1960, Daily News, Dallas, Tex.	Newberrys: Occasional tables.	Modern tables with no-mar tops. Another great Newberry value. Sleek contemporary design tables with mar-proof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Feb. 7, 1960, Bulletin, Philadelphia, Pa.	Snellenburgs: Desks.....	Giant 4-drawer wood desks. 47 inches long. Marlite top resists stains, scuffs. Handsome all-wood-frame desk boasts 4 spacious drawers plus shiny brass-tipped legs. Wood-grained Marlite top resists scuffs, scratches, stains—keeps its shiny look. Lined-oak or walnut finish.
Feb. 2, 1960, Bulletin, Philadelphia, Pa.	Lit Bros.: Desk.....	Stainproof Marlite top desk and chair set. Top and shelf mar-proof Marlite in lined-oak finish. Ends marring, heat, or alcohol damage.
Jan. 31, 1960, Advertiser, Boston, Mass.	Jordan Marsh Co.: Occasional tables.	Stain-proof Marlite top occasional tables. Superb finishes with a fine wood grain in your choice of mahogany, lined oak, or walnut. Sturdy hardboard frames and legs. Marlite tops that resist heat, alcohol, scratches.

## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Jan. 26, 1960, Telegram, Bridgeport, Conn.	Read's: Desk.....	Big 45- by 20-inch Marlite top. Limed-oak or walnut finish. Wood-grained Marlite top won't scratch, stain, or burn.
Jan. 26, 1960, Bulletin, Philadelphia, Pa.	Gimbels: Bookcase.....	Full 3-foot-long wood bookcase with 2 sliding glass doors. Marlite top resists stains. Mar-resistant Marlite top, 2 sliding glass doors. Mahogany, limed-oak or walnut finish.
Jan. 21, 1960, News-Virginian, Waynesboro, Va.	Newberrys: Occasional tables.	Modern tables with no-mar tops. Another great Newberry value. Sleek contemporary design tables with mar-proof Marlite wood-grained tops. Blonde, mahogany or walnut finish.
Jan. 17, 1960, Express & News, San Antonio, Tex.	Joske's: Occasional tables.	Low, low price on mar-resistant Marlite top occasional tables. Wood-grained warm-toned walnut or gleaming limed-oak finishes with heat-resistant Marlite tops that are unharmed by alcohol, juices, boiling water, scratches.
Jan. 17, 1960, Inquirer, Philadelphia, Pa.	Snellenburg's: Desk.....	2-drawer mar-proof desk topped with Marlite. Resists scuffs and scratches, limed-oak or walnut finish in sturdy all wood frame. Wood-grained Marlite desk top.
Jan. 10, 1960, Mirror, New York, N.Y.	Sterns: Desk.....	Giant 47-inch mar-resistant Marlite top desk. Handsome wood-grained Marlite top resists scratches, stains, alcohol, etc., keeps its shiny new look. Walnut and limed-oak finishes.
Jan. 10, 1960, Plain Dealer, Cleveland, Ohio.	Sterling-Lindner: Desk...	Full-size mar-resistant top, 2-drawer desk. Smartly styled with wood-grained Marlite top. Resists stains, burns, scratches. Limed-oak, mahogany, or walnut finishes.
Jan. 10, 1960, Times, New York, N.Y.	Gimbels: Desk.....	Versatile desk is extra sturdy, has mar-proof top, 2 spacious drawers. Has wood-grained Marlite top. Choice of walnut or limed-oak finish.
Jan. 10, 1960, Post & Times Herald, Washington, D.C.	The Hecht Co.: Desk.....	Big 47-inch Marlite top desk that's scratch, stain resistant. Handsomely styled wood-grained Marlite top desk that resists scratches, stains, alcohol. Walnut or limed-oak finish.
Jan. 10, 1960, Long Island Press, Jamaica, N.Y.	Gertz: Desk.....	Spacious 47-inch desk with mar-proof wood-grained plastic top. Plastic top resists burns. Stainproof, scratchproof. Won't chip or peel. Choice of limed-oak, mahogany, or walnut finish.
Jan. 10, 1960, Inquirer, Philadelphia, Pa.	Gimbels: Desk.....	Sturdy wood desk with fully enclosed drawer. Our most popular student's desk has mar-resistant Marlite top. Limed-oak, walnut, or mahogany finish.
Jan. 6, 1960, Plain Dealer, Cleveland, Ohio.	Sterling-Lindner: Occasional tables.	No-mar tops. Tables for beauty and duty. Smartly styled with Marlite plastic tops that are scratch and stain resistant. Blond, walnut, or mahogany finish.
Jan. 5, 1960, Daily News, New York, N.Y.	Macy's: Desk.....	Macy's Marlite-topped desk. Wood-grained. Marlite topped, resists scratching, alcohol stains, and burns. Limed-oak, mahogany, or fruitwood finish.
Jan. 3, 1960, Inquirer, Cincinnati, Ohio.	Rollman's: Occasional tables, desk.	Stain proof. Heat proof. Marlite top tables. Smart occasional table with wood-grain finish in mahogany or limed-oak. Hardwood frames and legs. Marlite tops that resist heat, scratches, alcohol.
Jan. 3, 1960, Daily News, New York, N.Y.	Sterns: Desk.....	Marlite top, 2-drawer student desk. Wood-grained Marlite top and deep drawers 20- by 45- by 29-inch in limed-oak or walnut finish. Giant 47-inch mar-resistant Marlite top desk. Handsome wood-grained Marlite top resists scratches, stains, alcohol, etc., keeps its shiny new look. Walnut and limed-oak finishes.
Jan. 3, 1960, Bulletin, Philadelphia, Pa.	Snellenburgs: Occasional tables.	Mar resistant tables topped with Marlite. Rugged wood construction, finished in wood-grained walnut or limed oak, with stain, scratch-, and heat-resistant Marlite tops.
Dec. 18, 1959, Herald-Star, Steubenville, Ohio.	L & A Furniture Co.: Occasional tables.	Modern tables with mar and stain-resistant plastic tops. Fine tables with Marlite plastic tops that won't scratch or stain. Blonde, Walnut, or mahogany finish.



## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Dec. 18, 1959, Star-Gazette, Elmira, N.Y.	Iszard's: Modern tables...	Genuine Marlite stainless top modern tables. Won't stain. Won't scratch. Wipes clean. 2 supergrain finishes: Mahogany, limed oak. Marlite tops resist heat, scratches, alcohols.
Dec. 15, 1959, States & Item, New Orleans, La.	Barnett's: Desk.....	Marlite plastic top 42- by 20-inch desk. 3 finishes. Limed oak, mahogany, walnut. Modern design, 2 roomy drawers, mar-, stain-, and scratch-resistant plastic top.
Dec. 15, 1959, Bulletin, Philadelphia, Pa.	Sterns: Occasional tables..	Marlite plastic surfaces. Marlite top tables. Scratch-resistant Marlite tops, stunning blond ash finish.
Dec. 14, 1959, Light, San Antonio, Tex.	Joske's: Occasional tables..	Marlite occasional tables. The Marlite finish is heat resistant also unharmed by alcohol, juices, scratches, or boiling water. In walnut or blond finish.
Dec. 13, 1959, Times, New York, N.Y.	Sterns: Desk.....	Giant 47-inch mar-resistant Marlite top desk. Wood-grained Marlite top resists scratches, stains, and alcohol on this value-packed desk. Walnut or limed-oak finish.
Dec. 13, 1959, Blade, Toledo, Ohio.	Tiedtke's: Desk.....	Giant 42-inch mar-resistant Marlite top desk. Wood-grained Marlite top resists stains, scratches, and alcohol. In walnut or limed oak finish.
Dec. 13, 1959, Inquirer, Philadelphia, Pa.	Snellenburgs: Occasional tables.	Mar-resistant tables topped with Marlite. Rugged wood construction, finished in wood-grained walnut or limed oak, with stain-, scratch-, and heat-resistant Marlite tops.
Dec. 11, 1959, News, Cleveland, Ohio.	Kurtz Furniture: Occasional tables.	Plastic top modern table group. They're fine tables with Marlite plastic tops that won't scratch or stain. Blond, walnut, or mahogany finish.
Dec. 10, 1959, Blade, Toledo, Ohio.	Tiedtke's: Desk and chair sets.	Desk and chair sets. 2 finishes: Beigetone or walnut. Marlite top for years of wear. Large 42- by 18-inch Marlite top that resists heat, boiling water, impact, fruit juices, and alcohol.
Dec. 10, 1959, Times-Union, Albany, N.Y.	Standard Furniture Co.: Occasional tables.	Casual moderns with lustrous tops of genuine Marlite. Swedish walnut finish. Matching Marlite tops resists scuffs, burns, and stains. Wipes clean with a cloth.
Dec. 10, 1959, World-Telegram & Sun, New York, N.Y.	Stern's: Desk.....	Giant 47-inch, mar-resistant Marlite top desk. Wood-grained Marlite top resists scratches, stains, and alcohol on this value-packed desk. Walnut or limed oak finish.
Dec. 9, 1959, Post-Times Star, Cincinnati, Ohio.	Rollman's: Modern tables.	Modern tables with stain-resistant burnproof tops. 4 Christmas-perfect tables, each brilliantly styled and skillfully constructed of sturdy hardwood, with "fine furniture" edges. Their gleaming plastic-finished Marlite tops resist stains of alcohol, burns, water. Choose in limed oak or mahogany finish.
Dec. 8, 1959, News-Post, Baltimore, Md.	Hecht Co.: Desk.....	Giant 45-inch Marlite top desk, walnut or limed oak finishes. Its wood-grained Marlite top successfully resists scratches, stains, and alcohol.
Dec. 6, 1959, Bulletin, Philadelphia, Pa.	Snellenburgs: Desks.....	Marlite top desks. A table that resists scuffs and scratches, in your choice of oak or walnut finish in sturdy all-wood frame. Wood-grained Marlite desk top.
Do.....	Snellenburgs: Occasional tables.	Marlite-topped occasional tables with walnut or limed oak finish. Rugged wood construction, finished in wood-grained walnut or limed oak, with stain, scratch, and heat-resistant Marlite tops.
Nov. 30, 1959, Sun-Telegraph, Pittsburgh, Pa.	Gimbels: Occasional tables.	Our exciting occasional tables, Marlite top, oak, walnut finish. Tops are scuff, scratch, and alcohol-resistant Marlite.
Nov. 22, 1959, Beacon Journal, Akron, Ohio.	Onells: Desk.....	Wood grain Marlite top modern 2-drawer desk. Wood-grained Marlite top is alcohol, stain, scratch, and burn resistant.
Nov. 22, 1959, Beacon Journal, Akron, Ohio.	Polskys: Desk.....	45-inch student desk with a mar-proof top. Wood-grained Marlite top stays shiny and smooth, won't stain or scratch.

## APPENDIX TO VICTOR R. MARSH STATEMENT—Continued

*Direct quotations from representative advertisements of department and furniture stores of wood-grained furniture and articles using Marlite wood pattern or design, obtained through Newspaper Clipping Service during the last 18 months—Continued*

Date, newspaper, and city	Advertiser and article advertised	Description in text of advertisement
Nov. 15, 1959, Post & Times Herald, Washington, D.C.	The Hecht Co.: Desk.....	Giant 47-inch Marlite top desk. Its wood-grained Marlite top successfully resists scratches, stains, and alcohol. Walnut or limed-oak finish.
Nov. 15, 1959, Inquirer, Philadelphia, Pa.	Lit Bros.: Desk.....	Full-size desk with mar-proof Marlite top. Genuine Marlite high-gloss wood-grained top is mar proof.
Nov. 15, 1959, Daily News, New York, N.Y.	Sterns: Occasional tables..	Mar-resistant Marlite top tables. Fine furniture wood-grained warm-tone walnut or gleaming limed-oak finishes that take years of wear, yet just minutes of care. Heat-resistant Marlite finish is unharmed by alcohol, juices, boiling water, scratches.
Nov. 12, 1959, Record, Meriden, Conn.	Holroyd's: Desk.....	Marlite plastic desk top. Smart, modern desk has handy drawer, 20- by 40-inch plastic top. Choice of limed-oak, walnut, or mahogany finishes.
Nov. 10, 1959, News, Lebanon, Pa.	Levitz: Occasional tables..	Modern tables with mar- and stain-resistant plastic tops. And they're fine tables with Marlite plastic tops that won't scratch or stain. Beautiful blonde finish.
Nov. 8, 1959, Bulletin, Philadelphia, Pa.	Snellenburgs: Desk.....	All wood frame desk. Mar-resistant wood-grained Marlite top.
Nov. 8, 1959, Inquirer, Philadelphia, Pa.	Snellenburgs: Occasional tables.	Mar-resistant tables topped with Marlite. Rugged wood construction, finished in wood-grained walnut or limed oak, with stain, scratch, and heat resistant Marlite tops.
Nov. 6, 1959, Bergen Record, Hackensack, N.J.	Sterns: Desk.....	Giant 47-inch mar-resistant Marlite top desk. Wood-grained Marlite top resists scratches, stains, and alcohol on this value-packed desk. Walnut or limed-oak finish.
Nov. 5, 1959, Inquirer, Cincinnati, Ohio.	Rollmans: Occasional tables.	Mar-resistant Marlite top tables. Fine furniture wood-grained finishes (warm walnut or gleaming limed oak) take years of wear, yet just minutes of care. Heat-resisting Marlite top is unharmed by alcohol, juices, boiling water, scratches.
Oct. 28, 1959, Newsday, Garden City, N.Y.	Newberrys: Modern tables.	Modern tables with no-mar tops. The Marlite wood-grained tops are mar proof. Mahogany, blonde or walnut finish.
Oct. 28, 1959, Inquirer, Philadelphia, Pa.	Gimbels: Desk.....	Marlite-topped full-size desk has brass drawer pulls. Marlite top shrugs stains, spills, scratches. Walnut, limed oak, mahogany finish.
Oct. 21, 1959, Freeman, Kingston, N.Y.	Standard Furniture Co.: Occasional tables.	Party-proof plastic-topped tables. They're beautiful blonde modern tables with party-proof Marlite plastic tops that won't scratch or stain.
Oct. 15, 1959, Sun-Democrat, Paducah, Ky.	John Green: Desk.....	Desk and chair ensemble with Marlite plastic desk top. Choice of 2 popular finishes, beigetone and walnut. Marlite exclusive feature for years of wear with minimum care. Marlite resists heat—Marlite resists boiling water—Marlite resists impact—Marlite resists fruit juices—Marlite resists alcohol.

MR. MARSH. Now, I just want to make reference to a couple things. Perhaps the best evidence of the complete lack of any deception or misrepresentation with respect to our products that bear the name "wood-grain designs" is the fact that in 25 years of producing wood-grain design Marlite panels involving millions of square feet of material and hundreds of thousands of transactions, we have never to my knowledge had any customer complaints or lawsuits with respect to purchasers and users being deceived into believing that they were receiving products other than that we have represented.



We go on down through, and I would like to inject on the extreme top of page 6 of my testimony, right after the "complaints to my company."

This is in further reference to the attempt of the witness yesterday, Mr. Gatewood, to mislead this committee. He picks up a packing slip, a copy of which I looked at after the hearing yesterday, which says "warehouse packing slip," a very short thing and does not give any description of products and presents that as something that we are doing wrong and I want this inserted in the statement, please.

Though I explained to this committee in the June 1960 hearings, the error the same witness had made in referring to our bobtail warehouse packing slip as an invoice, I was shocked yesterday to hear him again make the same error.

On page 14 of Mr. Gatewood's testimony, he referred to still another packing slip which contained practically no product description as an invoice. He is repeatedly making the same error and it can only be a deliberate attempt to mislead this committee, but, again, if he had referred to the invoice itself, he would have known that the material invoiced to the consumer and the customer was, in fact, fully described as "Made by Marsh Wall Products, Inc., as exclusive manufacturers of Marlite plastic finish wall panels," and as quarter-inch random plank, a trade name, three pieces 16 inches by 96 inches, No. 760, random Italian cherry, which is the design number.

Obviously, this witness is deliberately trying to create misrepresentation by showing the committee a cryptic packing slip instead of the actual invoice containing a full description of the product.

That is in reference to this warehouse packing slip and our invoice that I just described is Invoice No. 63567, issued from Dover, Ohio.

I mention in here again, and I make reference in my testimony to these many myriads of advertisements that you see on the boards here that were put out by very fine and reputable stores, and there are 16 pages of them appended to this statement which you can look at but I want to read one or two.

The Washington Star, the Hecht Co., 45-inch big two-drawer attractive desk, stain-resistant Marlite top, wood grain Marlite top, resists scratches, stain, alcohol, simulated walnut or lime-oak finish; New York Mirror, February 26, 1961, has one by Gimbels with a similar description.

The New York Journal American, the one for Sterns, with a similar description on February 19, 1961. On February 1961, Akron Beacon Journal, Oneil's store, the largest department store there, has a similar description. Then Meier & Frank advertised in the Portland, Oreg., Oregonian on January 17, 1961, with similar description.

You can read them. But I want to say that in all of these advertisements they were prepared by their advertising departments, by their own personnel, without any knowledge to our company until we received the copies from the clipping service and we have no co-operative arrangement for paying for these, so it was all on their own.

That shows what the people are being told. The testimony and exhibits presented to this committee—this is page 8, which is nearly the end of my testimony—have been focused on our products and our company.

Under these circumstances, and considering the facts and exhibits which I have presented, it is surprising to me that anyone would try

repeatedly to justify the need for this type of bill based upon our products or our advertising or our packing slips.

As a producer of plastic-finished panels, and also being closely associated as a producer of hardwood lumber and even fine hardwood veneer logs, I am opposed to these pending bills for a number of other reasons:

In the first place, I am opposed to any legislation for the benefit of any special group which uses the Government to hobble its competitors and impede technological progress.

These bills, in my opinion, are designed to protect only the business of the producers of fine hardwood veneers in their competitive struggle with other more acceptable materials with a simulated wood-grain design or color to be labeled not simply what it is, but as "simulated" hardwood.

This is, of course, a wide departure from any prior labeling acts that I know of, and would confine the use of the names and designations pertaining to any hardwood as the exclusive property of the fine hardwood veneer people.

It would be absurd and unfair to the public to permit the one "special interest group" to build a fence around generic terms, such as walnut, cherry, olive, or gum, which are often used to denote a color or texture.

Moreover, these bills would discriminate against all materials other than fine hardwood veneer and then we go on into the hardwood veneer which is not anything that you can brag about. And the next page I go into this.

Some walnut is bleached almost white or stained and painted black to where, in some cases, the original character and grain is beyond recognition.

I have samples here of a well-known manufacturer showing the manufacture of walnut, mahogany, and so on. This is by the Stow-Davis Co., and these are samples of materials they use on their desks.

I have among others—I do not think a lot of people can tell what those woods are—here is one that is coal black. It could be even a piece of black rubber or what not, but I know they claim that is walnut. Well, I know that that is what it was because I was sold and I have a picture of my office, it has a black walnut set of furniture and no one—I will pass it to the committee so you can see what we are talking about—no one could tell that that is walnut but while you are looking at it and so you can see, I want to show you something a little bit different here to show you why we object to some of this.

I have this sample of Stow-Davis material, which is a fine upstanding company, and I hold a match under here and I want you to note the effect. Now, will you hold this a minute for me, please?

I want to show you a piece of Marlite. Now, we will try to give it a little bit more flame than we did that one. I will burn my fingers, but I am willing to burn most anything to light this thing because this is terrible. You will notice that the match flame completely destroyed the fine hardwood veneer, the finish and the fine hardwood veneer, while on the sample of Marlite it had no effect on the finish.



Now, I want you to notice those two and take a look at my office while you are at it, too. I had a coal-black walnut desk made by Stow, Stow-Davis, together with our Marlite random plank American walnut designed walls. But here they want us to label our stuff as simulating or imitation, and so on, when you can talk to anyone—why should you make a desk or anything else out of something that is easily damaged as this is.

Walnut, of course, has become a generic term. I walked into the Pittsburgh Union Station the other night and picked up these two things. Here is Walnettos by some outfit, Peter Paul, and here is a package.

What do you think that is called? Walnut—walnut smoking tobacco. I do not know what they are going to do with that but I imagine that would put a dark-brown taste in the mouth of fine hardwood veneer people but that is the kind of thing we have.

It is generic and we cannot get away from it. One thing I would like to do, if I may, send a copy of the invoice, Mr. Chairman, that correspondence to this packing slip for the record, if I could send that in?

Mr. MACK. Without objection, you may include that in your part of your remarks in the record.

Mr. MARSH. All right, I will send it into the committee.

Thank you very much for your time.

Mr. MACK. I also want to say that, Mr. Keck, you had a concluding statement you wanted to include in the record. It will be received as part of your remarks. Do you desire to do that?

Mr. KECK. I do, sir.

Mr. MACK. You may do that.

Our next witness is Mr. S. M. Hunn, secretary of decorative laminate section of the National Electrical Manufacturers Association.

#### STATEMENT OF S. M. HUNN, SECRETARY, DECORATIVE LAMINATE SECTION OF THE NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION

Mr. HUNN. My name is S. M. Hunn. I am secretary of the Decorative Laminate Section of the National Electrical Manufacturers Association.

This section is comprised of 15 companies doing over \$100 million a year in high-pressure decorative laminate surfacing material—a high quality plastic material which you have in your home for kitchen and bathroom work surfaces, for wall paneling, and for fine furniture.

Here are some samples of this superior material which you probably know under such trade names as Micarta, Formica, Nevamar, Decarlite, Panelyte, Textolite, et cetera.

And I refer to the small panel over here showing Formica material.

As requested by your committee, I have already submitted five copies of a statement opposing the enactment of H.R. 1141 and 1949, and I would appreciate having that statement introduced into the record at this point.

Mr. MACK. Without objection, it will be so received.

(Statement of S. M. Hunn follows:)

STATEMENT OF THE DECORATIVE LAMINATE SECTION OF THE NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION, NEW YORK, N.Y.

This statement is filed in opposition to H.R. 1141 and H.R. 1949, and in behalf of the Decorative Laminate Section of the National Electrical Manufacturers Association. The members of this section are shown on the attached list with their trade names.

These companies manufacture high-pressure decorative laminated plastics, a product which is well known to subcommittee members. It is that product which they have in their own homes, covering sink and vanity tops in bathrooms and bedrooms, kitchen work surfaces, and kitchen table tops. This product is also used extensively in the home as a surface material for fine furniture and wall paneling. It is used for similar applications in restaurants and other public places.

Under no circumstance would this product—decorative laminated plastics—ever be used to deceive the public as an imitation of hardwood.

The fine qualities of hardwood are well known, but decorative laminated plastics have certain superior qualities, particularly in surface characteristics. These include hardness and resistance to abrasion, stains, heat, and cigarette burns. It is qualities such as these that enable decorative laminated plastics to be used successfully where hardwoods cannot. Therefore, it would be detrimental to our interests to advertise or to sell to the public on the basis that decorative laminated plastics are "simulated" hardwood.

Decorative laminated plastics have achieved their extensive markets and acceptance by the public because of their many superior qualities, and peculiar fitness for certain applications, not because they are a "simulated" or substitute product.

The public is not fooled. It well knows and demands these superior characteristics.

We affirm, therefore, that decorative laminated plastics are not misbranded, nor falsely advertised, nor falsely invoiced, and that the public is not presently deceived.

On the other hand, we believe that the public would be deceived and confused if H.R. 1141 and 1949 were passed.

Decorative laminated plastics can be produced with a great many surface finishes. Besides wood grains these include linen, pearl, sand, crystal, marble, charcoal, and oyster shell.

If any of these bills are passed for the benefit of hardwood producers, we believe it would not be long before other special interests would ask for similar legislation.

In fact, suggestion has already been made that similar legislation be passed in behalf of softwood manufacturers.

In summary, we believe that these proposed bills are unnecessary, misleading, and confusing to the public, and are in effect "class legislation" favoring one line of product over all others. The bills would be seriously detrimental to decorative laminated plastics which the public readily recognizes and demands in preference to other kinds of surfacing material.

If the subcommittee feels that some legislation along these lines is needed, we respectfully request that decorative laminated plastics be specifically excluded and that the word "simulated" be deleted from the examples in section 4(c) and in the requirements of section 5. Also, we recommend that the following be added at the end of section 5: "\* \* \* except that the name of any hardwood species may be used to describe the surface appearance of a product which is otherwise clearly identified as to its composition."

This foregoing recommendation is in accord with testimony made by the Fine Hardwood Association before the U.S. Senate that manufacturers should not be prohibited from copying the appearance of hardwood, i.e., the grain effects.



*Member companies of Decorative Laminate Section of National Electrical Manufacturers Association*

	<i>Trade name</i>
The BoMyte Co., Green St., Silverdale, Pa.....	Bo-Myte.
Consoweld Corp., 700 Hooker St., Wisconsin Rapids, Wis....	Consoweld.
Decar Plastic Corp., 4501 West North Ave., Melrose Park, Ill.	Decarlite.
Fabricon Products, a division of the Eagle-Picher Co., 1721 West Pleasant Ave., River Rouge 18, Mich.	Lamin-Art.
Formica Corp. (a wholly owned subsidiary of American Cyanamid), 4600 Spring Grove Ave., Cincinnati, Ohio	Formica.
General Electric Co., Coshocton, Ohio.....	Textolite.
McNeff Industries, Inc., 2414 Vinson St., Dallas, Tex.....	McNeff.
The National Plastic Products Co., Odenton, Md.....	Nevamar.
Panelyte Division, St. Regis Paper Co., 150 East 42d St., New York, N.Y.	Panelyte.
Parkwood Laminates, Inc., 134 Water St., Wakefield, Mass.	Parkwood.
Pioneer Plastics Corp., Pioneer Ave., Sanford, Maine.....	Pionite.
Reiss Associates, Inc., Reiss Ave., Lowell, Mass.....	Raillite.
Virco Manufacturing Corp., 15134 South Vermont St., P.O. Box 44846, Hancock Station, Los Angeles, Calif.	
Westinghouse Electric Corp., Hampton, S.C.....	Micarta.
Ralph Wilson Plastics, Inc., 600 General Bruce Dr., Temple, Tex.	Wilson Art.

Mr. HUNN. Also, as requested, I will limit my comments now to a summary of the highlights of the foregoing statement. Thus, I say that the Decorative Laminate Section of the National Electrical Manufacturers Association is opposed to H.R. 1141 and H.R. 1949 because the labeling requirements would brand decorative laminate plastics as an inferior material simulating hardwood when, in fact, it is a far superior material.

To prove this, I introduce for the record five copies of the "NEMA Standards for Laminated Thermosetting Decorative Sheets."

Please turn to page 7 of this publication. You will find there a description of the composition of this product, how it is made and a description of the various types of laminated plastic surfacing material.

The rest of the white pages from 9 to 37 describe the way this product is tested.

Now, please turn to the colored sheets beginning with page 39. These specify the performance of laminated plastic surfacing material. Please note the requirements for: Wear resistance, resistance of surface to boiling water, resistance of surface to high temperature, resistance of surface to cigarette burns, resistance of surface to stains, color fastness, and many others.

Now turn, please, to the white page 47, "Recommended Practices for Fabricating and Applying Laminated Thermosetting Decorative Sheets."

The next to the last page lists the names and addresses of the member companies.

I would like, also, to call your attention to the fact that Federal and military specifications exist for laminated plastic surfacing material and for furniture using this material.

Would you show that to the committee, please?

If you will turn to page 7 of this publication, you will find there a description of the product, how it is made, et cetera. And I list

in my added statement the names of specifications and I will not quote them right now.

Now, you have an idea of what this material is. You are already using it in your home and there are military, Federal, and NEMA standards for it.

It is very important to these manufacturers that their product is clearly identified. They are most anxious that the public be not fooled or deceived.

Large sums of money have been and are being spent by laminators to identify and promote the superior qualities of this material.

I introduce for the record some advertising and labeling which shows the labels that are put on this product in its final usage.

Mr. MACK. Without objection, the material referred to will be received for our files.

Mr. HUNN. Now, tying the foregoing information into H.R. 1141 and H.R. 1949, we recommend that these bills be not enacted. If the subcommittee feels that legislation is needed, we request that decorative laminate plastics be specifically excluded and the word "simulated" be deleted from the examples in section 4(c) and in the requirements of section 5.

Also, we recommend that the following be added at the end of section 5:

\* \* \* except that the name of any hardwood species may be used to describe the surface appearance of a product which is otherwise clearly identified as to its composition.

This recommendation is in accord with the testimony made by the Fine Hardwood Association before the U.S. Senate that manufacturers should not be prohibited from copying the appearance of hardwood, that is, the grain effects.

Thank you, Mr. Chairman.

Mr. MACK. Thank you very much. You refer to the standards publication in your testimony and this will also be received for our records.

Mr. HUNN. Thank you. I refer to that in this additional statement.

Mr. MACK. This will be received for our files but will not be a part of the record.

Mr. HUNN. Thank you.

Mr. MACK. Mr. S. W. Tamminga, president of Furniture Manufacturers Association, Grand Rapids, Mich.

#### **STATEMENT OF S. W. TAMMINGA, PRESIDENT, FURNITURE MANUFACTURERS ASSOCIATION OF GRAND RAPIDS, MICH.**

Mr. TAMMINGA. We have a statement we would like to present for the record, but in the interest of time, all I should like to do at this time would be to read a statement of one of the wood experts in our country, a certain Dr. A. J. Panshin, one of the country's foremost wood technologists, and presently head of the Department of Forest Products at Michigan State, and I read this because we think this will answer a couple of the questions put by the committee this morning.



Speaking of the deception inherent in such labeling in testimony before the Federal Trade Commission in the aforementioned trade practices conference he said, and I quote:

Wholly unwarranted emphasis on solid construction tends to draw attention away from the real quality concepts that have design, workmanship as well as material used to a purely fictitious quality standard based on a misconception that solid construction is automatically superior to any other kind. The implication that solid wood construction is the prime criteria and of quality ignores technological progress and esthetic consideration is brought about through the use of improved materials employed not to mislead the buyer but to enhance the quality of a product and frequently without raising the cost.

In fact, should the proposed rules be adopted, they would very likely tend to freeze practices and concepts that have no justification in the light of new technological development or present-day economics by offering a premium for their perpetuation.

As an example, substantial evidence exists that tables and desk tops made of some forms of wood particle board is not only more economical but, in fact, is at least the equal and quite possibly superior to the coarse top made of solid wood.

To suggest or imply such construction is inferior, hence, should be labeled for protection of the buying public is to do a disservice to reputable and progressive manufacturers.

Furthermore, this implication that the solid wood coarse top, for instance, is inherently a quality product simply because it is made of solid wood is a risky assumption. In no way does it protect the buyer from an inferior product and it may create a sense of false security based on the comforting but totally unreliable concept that if it is made of solid wood, it must be good.

In the final analysis, there is no substitution for integrity of the producer and his willingness to stake his reputation upon the performance of his products. Quality of a piece of furniture cannot be legally laid by Government rules and especially when the rules are based not on facts but on popular misconceptions.

Finally, it is quite impractical to describe the component part of a piece of furniture that might consist of several kinds of wood and several different compositions of material.

For instance, how would a piece of furniture be described that has birch legs, maple top, and bleach mahogany panels—the legs solid wood, the top a veneer construction probably, and the side and front panels are plywood with bleach mahogany faces.

It certainly can be done but for what purpose. Where is there any evidence that this rather complicated but excellent construction was meant to deceive anyone? The best safeguard against fraudulent misrepresentations is the integrity of the manufacturer, industry-sponsored standards, and competition.

Labeling along the lines suggested by the proposed rules will not guarantee quality. It may confuse the public, it may quite conceivably give advantage to those who wish to capitalize on the presumed superiority of solid wood construction implied in the proposed rules, it may tend to discriminate against the more progressive manufacturers willing to experiment with new materials and new technologies, and certainly it would add to the cost of the product to the consumer.

Thank you.

Mr. MACK. Thank you very much.

(Mr. Tammings's prepared statement follows:)

STATEMENT IN OPPOSITION TO H.R. 1141 AND H.R. 1949, PRESENTED ON BEHALF OF THE FURNITURE MANUFACTURERS ASSOCIATION OF GRAND RAPIDS, MICH., BY ITS PRESIDENT, S. W. TAMMINGA, HEKMAN FURNITURE CO., GRAND RAPIDS, MICH.

#### I. INTRODUCTION

Furniture Manufacturers Association of Grand Rapids, Mich., on behalf of 47 manufacturers of quality furniture in its area, files this statement in opposition to the proposed hardwood labeling legislation, thereby joining scores of businesses and associations who likewise oppose such legislation. A listing of

these individuals and organizations reflects the breadth of this opposition and the potential impact of these bills upon the business community.

I believe that all of these persons, and particularly those who will testify on these bills, stand upon the firm principle that responsible businessmen abhor fraud, deception, and misrepresentation in any form. Further, we recognize the importance of sound Government regulation which will serve the public and promote honest and competitive business.

Our position on this mandatory labeling legislation is based upon (1) a thorough knowledge of market conditions, (2) study of various legislative proposals, and (3) knowledge of the impact of such law upon manufacturers and retailers. We hope by this statement to promote a thorough discussion of these bills on their merits for we believe this to be unnecessary and burdensome regulation designed to promote the special interest of a single group of suppliers rather than serve a public need.

## II. THERE HAS BEEN NO SHOWING OF PUBLIC INTEREST; ACTIVE DECEPTION IS NOW CONTROLLED

It is axiomatic that proponents of remedial-type legislation bear the burden of showing a present public need therefor. This has not been done in this instance. In a statement last year before the Senate committee considering similar legislation, a spokesman for the Federal Trade Commission said:

*"\* \* \* as a general principle the Commission favors specific labeling legislation of the type proposed only in those areas where there has been demonstrated a strong consumer need. Based on presently available information, we are not aware of the extent of the need for this type of legislation."* [Emphasis supplied.]

We have participated in and followed carefully the progress of recent FTC trade practice conferences for the household furniture industry. We have reviewed briefs and transcripts of testimony presented. As a result we are more than ever convinced that the situation as described to the Senate committee by the Commission in 1960 has not changed.

We can state with certainty that our members are not engaged in deceptive labeling. Neither are they, as manufacturers of high quality merchandise, aware of the use of deceptive labels by competitive manufacturers.

For years the Federal Trade Commission, with firm statutory support, has served as watchdog of the furniture industry. It presently has all necessary authority to attack and eliminate misrepresentation of product by manufacturers.

Thus if a furniture manufacturer were to misbrand the wood (or any other component) in a given piece of furniture in order to deceive either his customer or the ultimate consumer, it would be a violation of present law and the established trade practice rules for the furniture industry. The deception would be immediately attacked and eliminated.

Should some showing later be made of widespread misrepresentation at the retail level this can and should be handled by Government regulation or voluntary arrangement at that level and without unnecessary involvement of the Federal Government or of manufacturers who do not participate in the wrongdoing. This is especially true at a time when the Federal agency to be assigned the task of administration and enforcement of the proposed legislation has neither completed its own survey nor exhausted the procedures now available to it. The Federal Trade Commission has not sought the additional authorities and responsibilities provided for it in H.R. 1141 and H.R. 1949.

## III. PUBLIC RECOGNITION OF QUALITY IS NOT RELATED TO THE LABELING REQUIRED BY THESE BILLS

The makers of Grand Rapids Furniture enjoy a national reputation for quality and have much to gain by public enlightenment specifically on matters of furniture quality. However, this is not a valid reason for us to embrace proposals which are unsuited to accomplish this purpose and would add yet another cost to every piece of furniture manufactured and sold in the United States. Public education is a program for gradual development by usual marketing procedures. It ought not to be attempted by legislation—certainly not by restricted-purpose legislation of this sort.

For the manufacturer, advertising literature pegged to the important qualities of a product, and designed to meet the level of public acceptance of a product, education is the only answer. We see no need for governmental direction or



assistance in this self-developing area. We simply do not believe Federal legislation can or should be substituted for the fair and flexible sales promotion programs of our furniture manufacturers.

Dr. Donald R. G. Cowan of the School of Business Administration of the University of Michigan agreed with this conclusion in recent testimony before the Federal Trade Commission trade practice conference for the household furniture industry. He pointed out that the type of single-standard, incomplete labeling here under discussion could "stifle progress among furniture manufacturers in developing materials which are stronger, harder, and more serviceable to consumers in many respects than solid woods, and at the same time may be cheaper \* \* \* Labeling of the nature suggested may contribute to greater conservatism."

Dr. Cowan concluded that voluntary labeling designed by manufacturers and retailers to supply significant and meaningful information about the entire product and its use, thereby increasing the satisfaction of consumers, was far preferable to a law label program such as the one here suggested.

#### IV. SUGGESTED LABELS WOULD BE DECEPTIVE

Not only will the labels specified in these hardwood labeling bills fail to educate the public in a meaningful way, they will themselves promote public deception and appeal to misguided prejudice.

Labels on furniture to identify the specie of wood used would invite public attention and emphasis to a single component and ignore design, finish, construction, and other important features of quality. It is beyond dispute that frequently two items of furniture made of the same wood, with comparable dimensions, might have a sizable retail price spread—one might well cost 10 times as much as the other. Mandatory labeling, as proposed, would require the same label on each of these items, thereby erroneously indicating to the consumer that the two items are of equal quality. Similarly, a piece of quality furniture of a certain finish or construction would be made to appear inferior to a like item of hardwood furniture which is, at best, equal in value and usefulness to the first item.

Dr. A. J. Panshin, one of the country's foremost wood technologists and presently the head of the Department of Forest Products at Michigan State University, spoke of the deception inherent in such labeling in testimony before the Federal Trade Commission in the aforementioned trade practice conferences. He said, and I quote:

"Wholly unwarranted emphasis on solid wood construction tends to draw attention away from the real quality concepts—that of design, workmanship, as well as of materials used—to a purely fictitious quality standard based on a misconception that solid wood construction is automatically superior to any other kind.

"The implication that 'solid wood' construction is the prime criterion of quality ignores technological progress and esthetic considerations brought about through the use of improved materials, employed not to mislead the buyer but to enhance the quality of a product and frequently without raising the cost. In fact, should the proposed rules be adopted they would very likely tend to freeze practices and concepts, that have no justification in the light of new technological developments, or present-day economics, by offering a premium for their perpetuation.

"As an example, substantial evidence exists that core stock for table and desk tops, made of some forms of wood particle boards, is not only more economical but, in fact, is at least the equal and quite possibly superior to the core stock made of solid wood. To suggest or to imply that such construction is inferior, and hence should be labeled for protection of buying public, is to do a real disservice to reputable and progressive manufacturers.

"Furthermore, this implication that the solid wood core stock, for instance, is inherently a quality product, simply because it is made of solid wood, is a risky assumption. In no way does it protect the buyer from an inferior product, and it may create a sense of false security, based on the comforting but totally unreliable concept that if it is made of 'solid wood' it must be good. In the final analysis there is no substitute for the integrity of the producer, and his willingness to stake his reputation on the performance of his product.

"Quality of a piece of furniture cannot be legislated by a set of Government rules, and especially when these rules are based not on facts but on popular misconceptions.

"Finally, it is quite impractical to describe the component parts of a piece of furniture that might consist of several kinds of wood and several different compositions of materials. For instance, how would a piece of furniture be described that has birch legs, maple top, and bleached mahogany panels. The legs are of solid wood, the top is a veneered construction, probably with flake board core, and in the side and front panels are plywood with bleached mahogany faces. It certainly can be done, but for what purpose? Where is there any evidence that this rather complicated but excellent construction was meant to deceive anyone?

"The best safeguard against fraudulent misrepresentations is the integrity of the manufacturer, industry-sponsored standards, and competition. Labeling, along the lines suggested by the proposed rules, will not guarantee quality. It may confuse the public; it may quite conceivably give advantage to those who wish to capitalize on the presumed superiority of solid wood construction implied in the proposed rules; it may tend to discriminate against the more progressive manufacturers willing to experiment with new materials and new technologies and certainly it would add to the cost of the product to consumer."

Congress saw fit to exclude fabric covers of upholstered furniture from the Textile Fiber Products Identification Act because fiber content of these covers is completely unrelated to the true quality of the fabric. This identical point must be made of the species used in wood furniture. Material component has the least to do with true quality.

Gentlemen, we are not opposed to public education. We are opposed to these bills and their requirement that purposeless labels be used that would promote the sale of hardwood products over competitive materials merely on an appeal to prejudice. This situation would be compounded if cost of holding the hardwood products umbrella aloft is to be borne by the furniture manufacturers of this Nation.

#### V. MANDATORY LABELING IS EXPENSIVE; IT BEARS NO SIMILARITY TO VOLUNTARY LABELING PROGRAMS

Labeling as would be required by this proposed legislation is expensive and bears no similarity to voluntary labeling programs. Whereas voluntary labeling is an automatic procedure involving a stock tag, law labels must be prepared with text prescribed by law, printed, then affixed on selected pieces to match text with wood content. Another expense factor in law labeling is the market analysis required to properly anticipate how consumers may misjudge wood and material descriptions. This must be done in advance of wood or style changes. Further, under these bills the manufacturer must assume liability for honest errors—and the penalties there provided are severe.

We believe we can speak with some authority on this matter of costs of labeling, since furniture manufacturers have first-hand experience in preparing, printing, and affixing labels: I refer to the upholstery labels required by many States as health measures. We know how burdensome it is to comply with these existing legal requirements.

Grand Rapids furniture manufacturers normally introduce new patterns twice each year. It is not exceptional for a Grand Rapids manufacturer to introduce over 100 new designs at a market. Many combinations of woods are used in these new products and each combination would require a special label under the proposed legislation. A manufacturer may use a total of 10 species in the exposed surfaces of the pieces in his line and this might involve upward of 35 different labels for the entire line. To repeat this procedure every 6 months would be prohibitive in light of the doubtful value obtained. We estimate that this will cost the average manufacturer in Grand Rapids \$3,500 annually, to say nothing of the expense to the Federal Government to administer such a law.

#### CONCLUSION

In closing, again I wish to convey to you the good wishes of all members of Furniture Manufacturers Association of Grand Rapids, Mich., and their thanks for this opportunity to be heard on a matter of this grave importance to us. Whereas it is always a pleasure for us to appear before you we hope that this year decisive action will be taken against these bills which will discourage the perennial harassment for such special interest legislation which we have encountered from a persistent, if misinformed, segment of our suppliers.



Mr. MACK. Mr. Robert E. Carter, vice president at large and chairman of the Governmental Affairs Committee, National Retail Furniture Association.

**STATEMENT OF ROBERT E. CARTER, VICE PRESIDENT AT LARGE AND CHAIRMAN, GOVERNMENTAL AFFAIRS COMMITTEE, NATIONAL RETAIL FURNITURE ASSOCIATION**

Mr. CARTER. Thank you very much.

Mr. MACK. Without objection, your entire statement will be included at this point in the record.

(Statement of Robert E. Carter follows:)

**STATEMENT OF NATIONAL RETAIL FURNITURE ASSOCIATION PRESENTED BY ROBERT E. CARTER, VICE PRESIDENT AT LARGE AND CHAIRMAN, GOVERNMENTAL AFFAIRS COMMITTEE**

I am Robert E. Carter. I operate two retail furniture stores, one in Baltimore and the other in Towson, Md. Ours is a family-owned business, established in 1906 by my father.

I make this statement as chairman of the Governmental Affairs Committee, National Retail Furniture Association, founded in 1921. It is submitted in behalf of the 8,500 mostly family-owned furniture stores who comprise our membership.

To give some idea of the place of our industry in the national economy, I might say that the Census Bureau reports more than a quarter of a million employed in retail furniture and home furnishings stores. Annual retail sales exceed \$5 billion, and almost 6 cents of each consumer dollar goes for home furnishings.

The board of directors of the National Retail Furniture Association has always supported the voluntary standards of the Association of Better Business Bureaus for furniture wood retail advertising and selling. They will favor, I am sure, voluntary nondeceptive labeling of furniture materials.

We strongly oppose H.R. 1141 and H.R. 1949, the proposed Decorative Hardwood Labeling Act, for the following reasons:

We believe most emphatically that wood surface labeling should be a voluntary industry trade practice followed as a matter of enlightened self-interest in serving the American homemaker. We do not think it should be a compulsory legal requirement established for the purpose of giving economic relief to certain raw material producers experiencing competition from new, and often superior materials.

Therefore, we oppose any proposals for congressional action or legislation ostensibly aimed at deception but also designed to serve the special interest of some 38 lumber producers in 2 or 3 States, which would unfairly and unjustly burden thousands of manufacturers and retailers in all 50 States.

The bills proceed from the assumption that hardwood is the prime material, the one and only material for furniture surfaces, and that any other material used for furniture surfaces, whether it be metal, plastic, hardboard or softwood must be characterized in terms of the hardwood it resembles, by being called simulated hardwood.

As retailers, we do not concede that hardwood surfaces on furniture occupy such a unique position, and that somehow or other all other surface materials are in some way or other inferior.

Practically all wood furniture pieces are manufactured of a variety of woods which in the discretion of the engineers, designers, and manufacturers are best suited for the exposed surface construction and beauty possibilities of that particular piece of furniture.

Eye appeal, style, fashion, color, and wearability are the prime factors which create an attractive piece of furniture. Almost always this requires more than one type of wood or wood finish. Many of these would not fall in the category of hardwoods.

Actually, many of the new materials, particularly the plastics, are superior to hardwood in resistance to scratching, marking, denting, warping, staining, cigarette burns, and other damaging accidents that can ruin a hardwood surface or a laminated plywood surface with hardwood veneer.

The proponents of these bills seem to want to protect the public from a piece of plywood covered with plastic laminate, but do not seem to feel any need to inform the public that a hardwood veneer surface is itself only one-twenty-eighth of an inch thick.

These bills would require the very smallest retail furniture store on Main Street of every town and village in America to work under a new Federal law which would subject them to real hardship in trying to comply.

In my own store I would have to spend time making sure that every piece of wood furniture is always labeled in a legally correct way to show the true names of the hardwoods used for the surfaces or which they resemble.

When I wish to give my customer additional information and I substitute my own label for the manufacturer's label I would have to set up records showing the information on the manufacturer's label and keep these records for 3 years. I could be fined \$100 a day for every day I neglect to keep such a record, whether intentional or not.

I object to being exposed to the risk of having to forfeit \$100 a day because of any failure to keep a simple record. This clause is unduly punitive. Do you realize what a penalty of \$100 a day means in relation to the sales of the average small furniture store?

Because the proposed law covers "any \* \* \* representation" intended to sell furniture, I would have to train all my salespeople to give the legally required information orally. They would be violating the law if they did not mention all the required information every time they referred to the exposed surfaces of a piece of furniture in talking with a customer.

I would be required to keep for 3 years records of the data on which any ads are based. Keeping the ads themselves is not difficult, but the hard part is keeping the record of the information on which the ad is based. Here again, I could be forced to forfeit \$100 a day for every day I neglect to keep these records. I think such a penalty is unduly punitive.

It is our opinion that this proposed law will place an onerous and unreasonable burden on furniture retailers, without compensating benefit to consumers.

The burden will fall hardest on the small owner-manager stores which experience the greatest difficulty in accommodating themselves to Government controls and regulations and the paperwork and recordkeeping which always accompany such regulations. These new rules would be piled on top of all the load of reports, forms, rules, regulations of the Federal, State, and local governments under which the small retailer is already staggering. If you want to give the small retailer another push downhill by adding to the burdens of operating his business, this is the way to do it.

The burden of the law would also fall hardest on the retailer because of the multiplicity and variety of items he carries and the large number of sources from which he buys.

A manufacturer produces only a relatively small variety of items in his line, making his labeling problem proportionately less than the retailer's. But a retailer carries literally hundreds of items in stock, many pieces just one of a kind, and because of this wide variety, his job of keeping track of the labeling and advertising requirements for each is multiplied proportionately.

Because the provisions of these bills apply to goods which have been shipped and received in commerce, the effect will be to put purely local, intrastate retail stores under Federal control. Every furniture store will be open to Federal investigators on a "fishing expedition" for violations. This will be so even if all of the retailer's sales and advertising are within his own State.

Operating under the proposed law will create infinite confusion for the retailer because it would apply only to hardwood surfaces or surfaces that resemble a hardwood. This seems to me to be purely special interest legislation designed for the purposes of one small segment of our industry.

Softwood surfaces or surfaces which resemble softwoods or which resemble marble or any other furniture surface materials would not have to be labeled. This would mean that only part of a retailer's stock would have to be labeled under the law, and part would not have to be labeled. Think of the confusion this could create in a consumer's mind.

Although the sponsors of these bills may not have intended it, section 4(a) (1) on page 7, lines 7 to 14 is capable of being interpreted to cover any form of misrepresentation or deception on a label, not merely misrepresentation or deception with respect to the exposed surface area of hardwood or resembling hardwood. For instance, it could apply to misrepresentation with respect to price. This ambiguity would be removed if the words in lines 13 and 14, "such



decorative hardwood or simulated hardwood product" are removed and replaced with the words, "the exposed surface area."

We feel sure that the sponsors did not intend to extend Federal Trade Commission jurisdiction to every local retail store in intrastate commerce with respect to any form of false or deceptive statement such as price, guarantee, terms of sale on any item of furniture made of decorative hardwood or simulated hardwood. But in our opinion there is no doubt that the provision as written could be so interpreted by some future FTC attorney.

Voluntary informative labeling which is properly designed to help the consumer buy intelligently is something I think we can all support. In fact, most of the manufacturers of fine lines of furniture do give information which does help the consumer.

Any informative labeling program should adhere to certain practical, basic principles:

1. It should be solidly based on voluntary action, not Federal law. Law is just not the answer.

2. It should provide the information most needed by and helpful to the customer—not information designed to serve the competitive interests of the makers of a certain class of furniture surface materials.

3. It should be a forward looking program designed to promote consumer satisfaction.

4. It should not be restrictive in its intent, as these bills are. The approach should be positive, not negative—informative, not confusing.

We believe these bills will tend to discourage the use of new and better materials in furniture. New materials should be allowed to stand on their own merits. They should not have to be described in terms of the older materials they supersede.

Retailers are purchasing agents for their customers. If new and improved materials for the exposed surfaces of furniture have to be described in terms of the older, less satisfactory materials they replace, the use of the newer materials will be discouraged by such a psychological barrier. The standard of comparison should not be merely hardwoods.

To borrow an example from another field, you will recall that rayon, now a widely used synthetic fiber, got nowhere with the public while called "artificial silk." When this was dropped and the name rayon coined, public acceptance began to climb.

If these bills become law, the experience retailers have had under the Textile Fibers Identification Act shows that they can expect a set of complex, detailed, and hard to understand FTC rules and regulations. These are extremely difficult for the average small retailer to understand, and will be one more handicap for the small, independent businessman in his fight to survive and to make a profit.

Finally we draw to your attention that these bills extend FTC jurisdiction to intrastate commerce at the local retail level. This is accomplished in section 3(b) by making the furniture retailer subject to the law if the furniture he sells has been shipped and received from another State.

This is a substantial extension of FTC jurisdiction over intrastate furniture retailing, and goes beyond the jurisdiction of FTC under the Federal Trade Commission Act itself.

Our directors and members are opposed, as a basic principle, to Federal intervention in retailing because of its local, intrastate character. We believe that whatever regulation of retailing, if any, is needed should be enacted at the State or municipal, not Federal level.

For these reasons we respectfully urge your committee not to approve these proposals.

Mr. CARTER. I want to say one thing in the interest of time. I think since we have heard from all of these manufacturers and I think I am the only retailer that is here representing some 8,000 retailers across the Nation, that the attitude in the hearings and in the conferences which we have had within the industry, both with the segments who have been in favor of this particular piece of legislation and ourselves, we are inclined to believe that the point that is trying to be made is that the consumer does not know what she is buying. And as a retailer, as the poor little retailer at the end of the line that sells the commodity

to the consumer, we believe that we are doing a good job of telling the consumer what she is buying and so many, many times when the consumer does reach our store and tries to buy the product, she really wants to know how this product will perform in the end-use to which she is going to put it.

We cannot stay in business if we do not do the right thing and protect our reputation for commodities both wood and otherwise. We need to do a job for the consumer and we need to know that the product that we are able to give that consumer, offer to that consumer, is the best product regardless of whether it is made of solid or laminate.

These gentlemen have all covered the technical side of it. All we have to say is that what the consumer wants to know is what it is, not what it ain't, because if she knows what it is and the salesman tells her what it is, she understands and she knows that the product will do the job that they want it to do.

Retailers across the Nation are almost unanimously opposed to this particular legislation because of its direction to a very special interest of people who are not, who do not have the best interest of our industry at heart.

Thank you very much, Mr. Mack.

Mr. MACK. I would like to ask a question. You mention conferences with industry. Would that be some sort of a convention of the National Retail Furniture Association?

Mr. CARTER. We have discussed this both at our governmental affairs committee level, the board meeting of the National Retail Furniture Association, and after our appearance here last year before your committee, the Hardwood Association invited us to a roundtable discussion of leaders of their industry and ours to discuss the problems involved in this piece of legislation, and we spent several hours discussing this.

There has been an exchange, of course, between myself and Mr. Gatewood and others about this particular legislation. And in several meetings of the State retail associations throughout the country, I have brought the subject up and discussed it with dealers in each community.

And the general consensus of opinion is that we are very, very far apart in our thinking but at the same time, we think we are right, we think that this is not a bill which really helps the consumer.

Mr. MACK. I want to ask you, as vice president at large and chairman of the governmental affairs committee, has the National Retail Furniture Association taken a position on this bill?

Mr. CARTER. Yes, sir.

Mr. MACK. How did you arrive at that decision?

Mr. CARTER. After discussion in our board meeting we took or established an opinion of which I have a copy and through our publications we have given—

Mr. MACK. You are speaking officially as a representative of the National Retail Furniture Association this morning?

Mr. CARTER. Yes, sir.

Mr. MACK. And they are in opposition to the bills?

Mr. CARTER. That is right, sir. I would say it is almost unanimous and I have the written statement of the opinion.

Mr. MACK. Thank you, Mr. Carter.

Mr. CARTER. Thank you, sir.



(The following information was later received from the National Retail Furniture Association:)

NATIONAL RETAIL FURNITURE ASSOCIATION,  
Chicago, Ill., August 18, 1961.

Re hearings H.R. 1141, H.R. 1949, wood labeling.

Mr. W. E. WILLIAMSON,  
Clerk, Interstate and Foreign Commerce Committee,  
House of Representatives,  
Washington, D.C.

DEAR MR. WILLIAMSON: Attached is the statement referred to by our witness, Mr. Robert E. Carter, when Chairman Mack asked him how NRFA policy on wood labeling was formulated, and which Mr. Mack asked to have inserted in the record at that point.

Sincerely,

DEREK BROOKS,  
Director, Governmental Affairs.

The policies with respect to pending legislation, adopted by the board of directors of the National Retail Furniture Association are formulated on the basis of recommendations submitted by the governmental affairs committee of the association.

Any member of the association has the opportunity at the time that he joins the association or subsequently to ask to be placed on the governmental affairs committee.

A meeting of the governmental affairs committee is held in January during the annual meeting of the association, which coincides with the January furniture market in Chicago, and another meeting is held during the June furniture market in Chicago. Interim meetings of the committee are held during the quarterly meetings of the board of directors in April and October.

The agenda for the governmental affairs committee meeting in January and June is circulated to the members of the committee in advance of the meeting, and any member of the committee who cannot be present in person has the opportunity to present his views in writing, which will be taken up at the meeting.

The policy position of the association on legislative issues is published regularly to the entire membership in association publications during the sessions of Congress, so that all members may know what position the board of directors has adopted with respect to pending legislation. If members have comments to make with respect to the policy positions adopted, these are taken up at the next meeting of the governmental affairs committee and the individual is frequently invited to come and present his views in person.

Occasionally the governmental affairs committee feels the need for further guidance from the entire membership as to the position that the association should take on specific issues and may recommend to the board of directors that there be a referendum of the entire membership.

Mr. MACK. Mr. Snell is our next witness. Are you appearing as an individual or do you represent somebody?

#### STATEMENT OF THADDEUS S. SNELL, ON BEHALF OF MEMBERS OF THE GYPSUM ASSOCIATION

Mr. SNELL. I am a lawyer and represent the Gypsum Association. I am appearing on behalf of the members of the association that make predecorated gypsum wallboard and I make the request that my statement be included in the record.

I would like to call the attention of the members of the committee to a number of samples of predecorated gypsum board that I am going to leave with the committee, and I would urge that the members examine them.

Mr. MACK. Without objection, your statement may be included in the record.

(Statement of Thaddeus S. Snell follows:)

STATEMENT OF THADDEUS S. SNELL OPPOSING H.R. 1141 AND H.R. 1949, ON BEHALF  
OF MEMBERS OF THE GYPSUM ASSOCIATION

Mr. Chairman, members of the committee, my name is Thaddeus S. Snell. I am a lawyer practicing at 134 South LaSalle Street, Chicago, Ill. I am counsel for the Gypsum Association, a voluntary trade association with offices at 201 North Wells Street, Chicago, Ill.

Members of the association, representing over 90 percent of this country's gypsum production, appreciate this opportunity to have their views expressed in opposition to H.R. 1141 and H.R. 1949, the decorative hardwood or simulated hardwood products labeling bills.

The gypsum industry opposes this legislation in general, the present form of these bills, and their specific application to the gypsum industry.

GENERAL OBJECTIONS

To justify the enactment of legislation of this type, with the incident, but not incidental, expense of enforcement, a clear and compelling public need should be demonstrated. This is especially true today when the time and resources, including tax money, of this country are being mobilized for far more serious matters. For several years legislation of this type has been before Congress. In the various hearings heretofore held no persuasive public need for such legislation has been demonstrated. On the contrary, the desire of certain segments of the hardwood industry to distort the legislative processes for their own competitive advantage has become apparent—a desire to which the Congress wisely has shown no inclination to accede.

These bills purport "to protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products." The caption itself is misleading. These bills are not concerned with misbranding or false advertising of products, but only with the appearance of products. The effect of these bills, as we would foresee it, would not be to protect the public, but to provide a screen of propriety behind which unrestrained deception can flourish.

These bills literally do not scratch the surface. If an evil exists which needs correcting, they do not go deep enough into the problem—or perhaps I should say deep enough into the product—to reach it.

Moreover, these bills are not broad enough to correct the evil after reaching it. Limited as they are to hardwood, they ignore comparable problems which certainly must exist to the same extent—great or small though this may be—with softwood and other finishes.

The latest version of these bills now before this committee also lack important features necessary to effective administration. For example, while species of hardwoods are to be identified and their "correct common name" used, no wood products name guide has been included. Without standardization of approved terminology, both compliance and enforcement are virtually impossible.

With these general comments as background, let us now examine the apparent purpose and probable effect of these bills on the gypsum industry.

HARDWOOD LABELING AND GYPSUM PRODUCTS

Gypsum is a nonmetallic mineral found naturally in rock form. This rock is processed into such building products as plaster, gypsum wallboard, lath, sheathing, and gypsum block. Almost all permanent building in this country utilizes gypsum in one form or another.

Gypsum wallboard, the industry product affected by these bills, can simply be described as a core of plaster between two layers of a special type of paper. The paper is firmly bonded to the core of plaster by the adhesive qualities of the gypsum. It has been conservatively estimated that over 85 percent of homes built in this country today use gypsum wallboard in finishing walls and ceilings. It is a popular, well-known product widely used in homes in all price ranges.

Some years ago the gypsum industry introduced predecorated gypsum wallboards. Acceptance was so widespread that today nearly every manufacturer offers a variety of such products and new finishes are constantly being intro-



duced. The committee has been furnished a few typical samples representative of this particular product. Reference to gypsum in these bills undoubtedly contemplated this product.

#### THE FINISH ON GYPSUM IS NOT DECEPTIVE

Predecorated gypsum board is sold in sheets typically 4 feet wide and up to 12 feet long. The ends are not covered. The paper-enclosed gypsum core can readily be seen when the product is purchased from the retailer. It scarcely needs comment that the purchaser who takes delivery of this product cannot possibly be deceived, misled, or confused by the finish. Who are these bills trying to benefit? The "consumer" they seek to protect is not defined but they do require that the labels remain on the product until "delivered to the ultimate consumer."

If the ultimate consumer is the purchaser from the retailer, your cursory examination of these samples should be amply persuasive that deception is virtually impossible.

This product is used only in building construction. In some cases, the purchaser from the retailer may be the homeowner himself who selects the material for remodeling or for new construction. The owner of homes built under contract undoubtedly selects the material to be used in finishing his walls and ceilings, and would view samples such as you have before you in making his selection.

However, most homes today are built by speculative builders. The new owner does not enter the picture until the home, or at least the model, has been built. By then the walls are finished and the ends of the gypsum board can no longer be seen. Only under such circumstances could it even be suggested that a predecorated gypsum board might deceive the consumer into believing he was obtaining a wood product. Yet I hazard a guess that no one submits to the committee any substantial evidence that such deception actually occurs.

The gypsum industry, the dealer, the homebuilder, are proud of gypsum wallboard. Neither the manufacturer, nor the retailer, nor the builder attempts to sell the product as wood. We believe that gypsum wallboard has many qualities far superior to wood in any form for many construction purposes, with one exception—appearance.

Gypsum wallboard is designed for further decoration. It can be painted or papered, or it can be covered with a variety of other finish materials, or it can be purchased in a predecorated form.

One of the esthetic choices of the American public in interior decoration and home furnishings is the appearance of wood. It is often appropriate or desirable that the walls themselves have the appearance of wood to harmonize with the room decor.

Undoubtedly the proponents of this legislation would promptly suggest that such preference should be satisfied with the use of "genuine" wood products, and many consumers have agreed with them in their purchases. But this is a matter of personal taste, not of Federal legislation. Moreover, there are special features offered by gypsum board which cannot be attained with wood. Gypsum board is fireproof and dimensionally stable. It is less expensive. It will not rot and is not subject to termites or other vermin. These are the reasons that so many people today prefer to buy gypsum board finished with a wood appearance. To recapture the market they are losing on quality, the proponent hardwood people would like to see a sticker on the face of all predecorated gypsum wallboard walls labeling it "a simulation," "an imitation," an inferior product by act of Congress.

#### ADVERTISING OF GYPSUM BOARD PRODUCTS IS NOT DECEPTIVE

The Federal Trade Commission Act already proscribes false and misleading advertising, and the Federal Trade Commission now has full power to act in this field. It would seem that if false and misleading advertising is or should become a matter of concern in the gypsum industry, ample authority exists to deal with it without enacting additional legislation and unnecessarily imposing labeling requirements on an industry where a need is not shown to exist.

Examination of the descriptive material on the samples of the board and advertising before you discloses that the product is consistently described as a gypsum wallboard. It is readily apparent from these claims that the industry does not practice deception in its advertising. The plain truth is that the last thing our industry wants is to have gypsum board mistaken for wood. The

qualities of gypsum sell gypsum board. The exterior appearance simply solves the secondary problem of decoration.

#### APPEARANCE LABELING IS INADEQUATE

To fully understand the inadequacies of these bills, it is important first to understand the basic problem. The proposed legislation deals primarily with the appearance of an exterior surface or finish applied to some type of composite material. Only casual reference is made to the underlying material. The labeling required is an accurate statement of the appearance of the product.

Appearance can be important only as it is indicative of quality. If it is not related to quality, appearance is solely a matter of personal esthetics, a field both the Congress and legislatures of the several States have meticulously avoided. The appearance of a product is an obvious feature. It is not hidden or concealed from view. Whether or not it is pleasing and hence satisfactory to a customer does not depend upon its being described by the "correct common name" of the tree or plant material portrayed.

The only justification for regulating the description of the appearance of a product is under the assumption that appearance is related to quality, as, for instance, saying a product is finished in "cherry" to describe the quality of the product as "cherry." However, unless the connection between appearance and quality is consistent, predictable, and well known, regulation of appearance for the purpose of preventing deception as to quality is misguided. The type of surface material has little if any effect on the quality or performance of the product.

The quality, and hence the performance characteristics, of manufactured products depends upon the manufacturing techniques and the materials used. To suggest that any performance consistency or predictability can be found between products with a walnut exterior, for example, regardless of the underlying material, is entirely erroneous. Yet this is what this legislation suggested by the basic assumption upon which it is predicated, that if you know the "correct common name" of the wood which in reality or reproduction covers the surface you will not be deceived in what you buy.

The fallacy of this assumption destroys the significance of the legislation. It is exposed as a skin-deep cure for an internal ailment.

The real purpose behind the bills is revealed by the arbitrary, discriminatory and wholly unnecessary distinction suggested between "simulated" and "decorative" hardwood.

The appealing phrase "decorative hardwood" covers only those products the exposed surface area of which is covered with wood. The derogatory term "simulated" is reserved for all competitive finishes where the appearance of wood is reproduced or achieved in some other way.

Special treatment is accorded the "decorative hardwood" category. The exterior need only be described as "genuine hardwood," whereas "simulated hardwoods" must clearly name the hardwood simulated. Thus, the act, while based on the assumption that the ultimate consumer must know the species of hardwood to be able to avoid deception, provides that if an actual hardwood finish is used you need not disclose the species—you're "genuine"—but if you don't use a "genuine" wood finish you must clearly state the correct name of the species not used.

#### PARTIAL REGULATION IS ITSELF DISCRIMINATORY AND MISLEADING

Again referring to the samples before you, you will note that the descriptive names used for the finished appearance in some cases refer to a hardwood, as, for example, "cherry," "walnut," "mahogany" and "teak." In other cases a softwood name is used, most commonly 'knotty pine.' Coined names, some taken from other types of vegetation are also used, as, for example, "wheat," "heather," "tumbleweed," "silverbark," and "sablewood." All of these products compete with each other.

Can it be suggested objectively that a gypsum wallboard with a predecorated "knotty pine" finish in place on a wall is not deceptive and misleading to the ultimate consumer, but if that same product has a "walnut" or "mahogany" appearance it is deceptive? No record has been made to our knowledge which would justify the conclusion that failure to specially label any gypsum board product having a wood grain finish when it is described by a hardwood name, as



"walnut," leads to deception, whereas use of a coined word to describe the same type of wood grain finish, as "silverbark" or "heather," does not.

These products also compete with other wall coverings, including plywoods. To require certain gypsum products to be labeled so as to imply inferiority, as these bills would, while permitting plywoods to be labeled "genuine," and other gypsum finishes and softwoods to go unlabeled, not only is discriminatory but would create false and deceptive misconceptions far beyond any existing with these products today.

#### SPECIFIC SUGGESTIONS

The gypsum industry suggests that there is no evidence of a need for labeling legislation affecting its products and therefore that its products be specifically excluded from this legislation.

If the committee is convinced from the entire record that there is deception in this field which needs remedial legislation, then we urge that the labeling be comprehensive, objective, and impartial, rather than superficial, subjective, and discriminatory. The distinction between simulated and decorative hardwood should be eliminated, and the scope of the bill broadened to include all products having an external appearance of, similar to, or intending to suggest any wood. The definition should be broad enough to include coined names which imply the appearance of any wood. All such products should be classified in one category, except where they are made entirely of solid wood.

We further suggest that the labeling requirements be directed at the base material rather than at appearance, requiring description in terms understandable to the consuming public involved. Only by labels disclosing significant details as to the base material, its composition, and its construction, can any prevalent deception of the public be eliminated.

We further suggest that details as to the labels required be left to the discretion of the Federal Trade Commission and that the Commission be directed to require complete disclosure of the principal component materials, including adhesives and production methods, or in the alternative manufacturing in accordance with recognized, responsible standards with the label so indicating.

The title of the bill could then be changed to "Decorative Wood Labeling Act."

#### SUMMARY

In summary, the gypsum industry believes these bills, as applied to pre-decorated gypsum wallboard, are unnecessary because—

1. The ultimate consumer, whoever he may be, is not being deceived in the appearance of gypsum wallboard;
2. The public is not being deceived in advertising with respect to gypsum wallboard; and
3. The Federal Trade Commission has adequate authority under existing law to protect the public from future false and deceptive advertising, and the necessity of labeling as an additional protection for the public buying gypsum wallboard has not been established.

If legislation is deemed necessary, the gypsum industry believes that this legislation is improper and inadequate in that—

1. The only proper purpose for such legislation is to prevent deception as to performance characteristics of a product. Labeling the appearance of the surface by the "correct common name" of the wood whose appearance is portrayed will not prevent such deception;
2. The effect of the legislation is to imply a superiority of a product having a genuine wood exterior, regardless of the underlying material and construction, over competitive products when such superiority in fact does not exist; and
3. The scope of the legislation is too limited in covering only hardwoods and should be broadened to include softwood and competitive finishes.

If a need for legislation in this field is found, the gypsum industry urges this committee to adopt objective, nondiscriminatory, comprehensive legislation, designed to prevent deception as to the performance characteristics of the products covered.

However, after careful, objective consideration of all aspects of these bills, we sincerely hope that this committee will again find no need for this legislation.

I thank you on behalf of the members of the gypsum association for this opportunity of appearing before you and presenting this testimony.

Mr. SNELL. I am going to ask you to examine these in some detail and I am also leaving some samples of literature claims of our company with respect to these products.

Mr. MACK. Without objection, that will be received for our files.

Mr. SNELL. I would like to particularly say it is almost beyond conception that anybody is deceived as to what this product is.

It is not a wood product and it is not sold as a wood product, it is a gypsum product and we are proud of it. We have provided it as predecoration and made it available to consumers to avoid having to redecorate the products after putting it on the walls in homes. Because of this service we fall under the provisions of this act as to this product.

We feel this is entirely unnecessary and suggest that if evidence has been submitted which indicates that any deception has been found with respect to this product or with respect to our industry's advertising of this product.

I would also like to say that we feel that if there is any consumer deception in this field, it is because the consumer does not know the performance characteristics of the product he is buying, not because he does not know the correct common name of the surfacing materials, and we feel that to require labeling of the surfacing materials only without additional requirements as to the components of that material and their performance characteristics would simply provide a screen of propriety behind which unrestrained deception could flourish.

We think the legislation, if there is any need, does not strike at that need and we question the necessity of the legislation at all.

I thank you for the opportunity of saying this much on behalf of the gypsum industry, Mr. Chairman, and we would appreciate your particular attention to this particular product in this light.

Mr. MACK. Thank you, Mr. Snell.

Mr. Harwood Bagby, chairman of the board of National Wholesale Furniture Association.

#### STATEMENT OF R. HARWOOD BAGBY, CHAIRMAN OF THE BOARD OF DIRECTORS, NATIONAL WHOLESALE FURNITURE ASSOCIATION

Mr. BAGBY. Mr. Chairman, my statement has been prepared and presented to the secretary for the members of the committee.

I would like to say that our association is opposed to this legislation. This was ascertained by ballot of our membership and 62 percent return was unanimously opposed to the legislation.

May I call attention to a statement which we want to show in support of our contention that this legislation is not necessary?

In a recently supplied advertising acceptability guide published in May of this year by the Chicago Tribune, they list 110 of the worst abuses in advertising and the complaint which was presented by the proponents of this bill is not referred to, is not indexed by reference or implication, and I call attention to exhibit P referred to in our statement.

The other exhibits are enclosed with the statements, sir, and I thank you.



Mr. MACK. Without objection, the entire statement will be included in the record and the exhibit will be received for our files.  
(Statement of R. Harwood Bagby follows:)

STATEMENT OF THE NATIONAL WHOLESALE FURNITURE ASSOCIATION PRESENTED  
BY R. HARWOOD BAGBY, CHAIRMAN OF THE BOARD OF DIRECTORS

My name is R. Harwood Bagby. I am vice president of the Bagby Furniture Co., Baltimore, Md., and chairman of the board of directors of the National Wholesale Furniture Association. This is an organization of furniture distributors from coast to coast. Traditionally, wholesalers buy from manufacturers in relatively large quantities, and sell to retail dealers in relatively small quantities. It has been estimated that furniture wholesalers distribute between 20 and 25 percent of furniture manufacturers' output.

In the millions of transactions executed each year, wholesalers may be affected to as great—if not greater—extent than other industry members, by H.R. 1141, because of our function of breaking bulk. Representing many manufacturers and selling a multitude of small accounts, the risks of inadvertent error would bear more heavily upon us than many others in the chain of distribution.

As wanted—not unwanted—middlemen, we are willing to maintain the many functions and services necessary to the wholesale operation which we believe serve and save for the manufacturer, including added costs, which we consider not unnecessary, but self-serving, special interest legislation which is not in the public interest and does not protect the consumer.

We shall show that this legislation is: (1) Unnecessary; (2) self-seeking special interest legislation, based on false premises; (3) would add unnecessary costs to both industry and government particularly inopportune at the present time.

(1) Why is it unnecessary? Proponents have failed to show any current or past evidence of abuse, with particular relation to the furniture industry and trade. Such abuses, if they exist, could be determined readily, by reference to the number of complaints made to the Federal Trade Commission or to local better business bureaus. The FTC may not name firms complained against, but they may properly give the number of complaints on file, whether valid or not.

We have checked with better business bureaus in two important cities, Chicago and Baltimore, and found such complaints virtually nonexistent. Defective merchandise is the principal complaint; price deception is another. The Chicago Tribune does not list it among the 110 most common abuses in its published guide. (Exhibit E.)

Prior to enacting such legislation, definite evidence of widespread abuse should be shown before embarking on a costly program. We challenge proponents to produce any evidence which could not be called infinitesimal, as compared with some 60 million furniture transactions a year.

The Federal Trade Commission presently has sufficiently broad powers to prohibit such abuses, and if its orders are violated, to assess penalties, which could amount to \$5,000 a day for each day of violation.

(2) (a) Special interest legislation: Former Federal Trade Commission Chairman Robert Kintner testified before Senate committee hearings on a similar bill, on August 10, 1959, "that this is special legislation beyond a doubt." Section 4(c) of the bill states:

"(c) Any material, including wood, fiberboard, plastic, metal, gypsum, paper, and film, when there is applied thereto a printed or engraved surface to simulate the appearance of any hardwood grain, figure, or growth character shall be clearly named on the label (trade names not sufficient) and adequately described and the simulated hardwood graining shall be specifically disclosed, as for example: 'fiberboard, simulated walnut grain,' or 'plastic, simulated maple grain,' or 'elm veneered (or plywood) construction, simulated teak grain,' or 'hardwood veneered (or plywood) construction, simulated teak grain'."

The fact that proponents ask that the material be labeled as to what it is not rather than what it is, shows their self-serving promotional intentions.

Many of our wholesalers prefer to advertise in their catalogs such wording as "Westinghouse Micarti Plastic-Topped Bedroom," rather than, "Plastic Tops, Simulated Oak" or "Bedroom With Nevamar Plastic Tops." Those two examples are taken from a furniture wholesalers' catalog, and may be considered typical. (See exhibits A and B, herewith.)

Federal Trade Commission Attorney H. Paul Butz has said: "In my book, if you say it's vinyl, you have disclosed it is not leather. So it is not our intention to degrade any product by requiring a disclaimer as to what it is not.

"I can assure you that I shall recommend changes in that rule to clarify that point, not only here but in other instances throughout the rules where there may be a similar need."

(Mr. Butz' remarks will be found in the Federal Trade Practice Hearing for the Household Furniture Industry, Chicago, Mar. 21, 1961, p. 253.)

(2) (b) Why is it based on false premises? Proponents of this bill would label an inferior material comprising 95 percent by weight of the finished item—covered by a surface "skin"—one twenty-eighth of an inch thick—as "genuine." They have been getting by with this for years. We ask you—who is perpetrating a "skin game?"

It is a false premise to assume that the word "veneer" which it would force the industry to use is more desirable than the trade names of many alternate materials. It is, to quote Alfred Lord Tennyson, "veneered with sanctimonious theory." Webster's New International Dictionary still gives a definition for the word "veneer," the following meaning: "Superficial or meretricious show, gloss."

Principal proponent of this legislation is the so-called Fine Hardwoods Association. This group is an outgrowth of an organization called, until 5 or 6 years ago, The Veneer Association. There has existed for many years a Hardwood Lumber Manufacturers' Association. If the proponents found a stigma attached to the word "veneer," why do they attempt to make the furniture industry use it, when they have found it disadvantageous themselves?

Further, it is more misleading to label a product which consists of a core stock, comprising around 90 percent of one product, a genuine example of another product, when, by weight, the actual merchandise is principally composed of something else. We show you our exhibits C and D. Exhibit C is a thick skin of veneer of wood, one-quarter ounce in weight. Exhibit D is a piece of plywood—with veneer, cross-banding, and core stock. It weighs 6 full ounces. Would you call this genuine oak?

Webster's New International Dictionary defines "genuine," as follows: Genuine, authentic, not counterfeit, spurious or adulterated \* \* \* real, true and pure. Is a product real, true, and genuine, when by far the major part is something else? Is gold pure gold or silver pure silver if it is plated? Indeed not. But the self-seeking hardwood producers would further perpetuate and extend a fraud, which they have been getting by with for years, under the guise of the law of the land.

If we are to apply the negative disclosure policy to all materials which may resemble fine hardwoods, why not set specific standards for hardwoods themselves? It would seem fair that the hardwoods interests should request some sort of Government performance standard for their own products, before they ask Congress to condemn their competitors with the term "simulated."

But, no. This bill would permit any hardwood to be labeled "genuine hardwood," without disclosing its species or the species simulated. There are 25 domestic and imported hardwoods commonly used, and 100 others sometimes used in furniture of varying strength, hardness, stiffness, shrinkage, warping tendencies, etc. Red gum, sometimes given the misnomer "gumwood" by its producers, "warps and twists, splits rather easily," according to Government booklet "Furniture, Its Selection and Use," and "dents which are hard to remove are easily acquired." Yet it may be called genuine hardwood with a fraction of the desirable characteristics of finer woods. An alternate material with superior physical properties would be degraded by calling it simulated with the imputation of being an imitation, substitute or ersatz.

(3) Policing of the suggested legislation by the FTC would be costly. Some 75 "policemen" would be required, at an estimated cost to the taxpayers of \$500,000. Since this legislation, as proved, is unneeded, killing it in committee can save this cost.

#### EXHIBIT A. DANISH BEDROOM WITH NEVAMAR PLASTIC TOPS

A new approach to quality bedroom design. As photographed, the warm rich beauty of the handsome American walnut is complemented by the new Danish styling. All pieces also are available in flat cut oak in slightly smoky sand



color. Dresser, chest, desk, and nightstand tops are stain and burn resistant Nevamar laminated plastic, perfectly matched to the true wood. Full dust-proofed and center guided.

#### EXHIBIT B. WESTINGHOUSE MICARTA PLASTIC TOPPED BEDROOM

An attractive group designed for motel, hotel, and home use. All tops (except the bookcase bed) are genuine Westinghouse Micarta laminated plastic, that won't stain, burn, scratch, or chip. Easy-working dovetailed drawers, center guided, fully dustproofed.

(Headlines and description in a wholesale catalog: Rapids Furniture Co., Boston, pp. 3 and 4. We submit that such descriptions are preferable to telling what the material in the bedroom is not. Certified to be a true copy.)

#### NATIONAL WHOLESALE FURNITURE ASSOCIATION BRIEF—SUPPLEMENT

##### EXHIBIT E

110 most common advertising abuses, as listed by the Chicago Tribune, listed in its Advertising Acceptability Guide, May 1961. Note that wood labeling is not included. Following is a true copy.

1. Air conditioners. 2. Alcoholic beverages. 3. American flag. 4. Amusements and movies. 5. Auction and auction galleries. 6. Automobiles. 7. Bait advertising. 8. Breast developers. 9. Carpeting. 10. Cashmere. 11. Classified advertising. 12. Coins-currency-stamps. 13. Comparative prices. 14. Competitive claims. 15. Concessions. 16. Contest advertising. 17. Contract plan. 18. Controversial advertising. 19. Copyright. 20. Coupons. 21. Cosmetics. 22. Credit statements. 23. Currency.

24. Delivery charge. 25. Discount cards. 26. Drawings, lotteries. 27. Drugs and cosmetics. 28. Editorial features. 29. Editorial format. 30. Educational. 31. Excise tax. 32. Factory prices. 33. False distress appeals. 34. Financial. 35. Fire sales. 36. "Free." 37. Freezer food plans. 38. Freezer meat. 39. Fur auctions. 40. Fur Labeling Act. 41. Fur remodeling. 42. Fur terms. 43. Fur and clothes, used. 44. Gift and premium offers. 45. Going out of business sales. 46. Guarantees.

47. Hair and scalp clinics. 48. Hair dyes, removal, treatment. 49. Health schools and courses. 50. Help wanted. 51. Hotels and resorts. 52. Illustrations. 53. Insurance. 54. Investment advisory services. 55. Legal questions. 56. Libel. 57. Liquidation sales.

58. List price. 59. "Lost-our-lease" sales. 60. Magazine, radio and TV mentions. 61. Mail orders. 62. Manufacturers' addresses. 63. Massage parlors. 64. Mattresses. 65. Meat product grading. 66. Medical copy. 67. Medical professional. 68. Middleman's profit. 69. "Minimum" or "maximum" price or savings.

70. Money-back guarantee. 71. Money requests. 72. Movies. 73. Moving sales. 74. News photos in ads. 75. New stories in ads. 76. "No downpayment." 77. One cent sales. 78. Photographs of individuals. 79. Pistols, revolvers, hand guns. 80. Plastic slipcovers. 81. Political. 82. Preticketing. 83. Pricing practices. 84. Publicity conditions. 85. Quantity. 86. Quantity sales. 87. Real estate. 88. Reducing machines, remedies, medicines. 89. Refrigerators and freezers. 90. Resorts. 91. Reupholstering.

92. Page number of other ads. 93. "Save" or "savings." 94. "Seconds, irregulars, imperfects." 95. Sewing machines. 96. Sleep inducers. 97. Soil conditioners. 98. Stamps. 99. Storm windows, doors. 100. Telephone answering services. 101. TV and radio repairs. 102. TV picture tubes. 103. "Tiein free." 104. Tradein allowances. 105. Travel agents. 106. Trial offers. 107. "Two-for-one sales. 108. Underselling claims. 109. Used merchandise. 110. Wholesale.

Mr. BAGBY. Thank you, sir.

Mr. MACK. Are there any other witnesses who desire to be heard?

This concludes our hearings on H.R. 1141 and H.R. 1949, and the committee will stand adjourned.

(The following material was submitted for the record:)

STATEMENT OF GEORGE D. RILEY, LEGISLATIVE REPRESENTATIVE, AFL-CIO

In line with our overall concern for consumer interests, we endorse the purposes of H.R. 1949, a bill intended to require disclosure of the nature of materials in simulated wood products.

This bill is in line with a number of measures which have been approved or are pending in the Congress to cause the truth to be divulged in advertising and merchandising of wares in the marketplace. They include the truth-in-lending bill now in the Banking and Currency Committee, the Poison Labeling Act of 1961 to set up protections in household use, and a number of other proposals.

Increasingly, we find that plaster materials overlaid with a thin film are being printed to resemble "the real thing," whether designed to mislead the consumer who is left to believe that the "wood" is cherry, walnut, oak, maple, or any of the other materials which delight the eyes of the ultimate buyer.

A damp season or brief wear often betray the purchase as not only not worth the price even of cheaper woods but not worth the cost of the composition material which he has been misled into acquiring.

At the January 1960 session of our executive council, public attention was clearly directed at use of deceptive labeling on consumer items, including this ersatz wood. Our memberships number the largest grouping of consumers as well as wage earners who are entitled to the facts when they do their shopping.

We are not any part of a movement, imagined or real, to outlaw products which are a substitute for wood. We are clearly a part of any discussion having to do with the simple process of telling the buyer what he is being offered and what he is buying.

"Let the buyer beware" becomes a greatly outmoded lyrical phrase brought over from another age into a complex wonderland of merchandise with which the purchaser's sole familiarity are eye appeal, price tag, and terms of the sale. Failure to disclose what is being bought serves well to provide all along the line of commerce the built-in "switch" which one normally might expect to encounter only at the retail counter.

We, therefore, ask that H.R. 1949 in meaningful form be reported in the fair name of "truth in commerce."

NATIONAL FARMERS UNION,  
Washington, D.C., August 16, 1961.

HON. PETER F. MACK,  
Chairman, House Small Business Committee,  
Washington, D.C.

DEAR CONGRESSMAN MACK: Unfortunately I was not able to personally present my statement in support of H.R. 1141, the bill which would require labeling of decorative or simulated hardwood products. Since I have another hearing today, I will not be able to come over today.

I want to emphasize the fact that the National Farmers Union is in complete support of this legislation and hope that you will use your influence to insure its approval by the committee and passage by the House of Representatives.

Sincerely,

ANGUS H. McDONALD, Assistant Director.

STATEMENT OF ANGUS McDONALD, ASSISTANT DIRECTOR, LEGISLATIVE  
SERVICES DIVISION, NATIONAL FARMERS UNION

Mr. Chairman and members of the committee, I am appearing here in support of the Hardwood Products Labeling Act which would require decorative or simulated hardwood to be properly labeled. It is our understanding that hardwood labeling does not constitute a precedent, since a number of other laws pertaining to wool, fur, and textile products protect the consumer by requiring proper labeling. Although the some 600,000 members of the National Farmers Union, residing mainly in the Mississippi and Missouri River Valleys, do not have an interest in the legislation as producers they do have an interest as consumers.

We feel strongly that this legislation should be enacted without further delay. Never in the history of civilization has consumers been subjected to so much deception. Modern technology has made it possible to deceive and hookwink



consumers on a large scale. Television and other visual means of advertising make use of modern technology to misinform the consumer. The deception that is carried on by means of television and other media is a national scandal and has even been investigated by the Congress and executive agencies. This legislative not only will protect the consumer at the retail level but honest merchants who may be deceived at the wholesale level.

Last year hearings were held on similar legislation. It was reported at that time that many salesmen were favorable to the legislation. One of the witnesses reported that the spokesman for the salesman said, and I quote:

"We don't want to guess, bluff, and lie, when asked about species and materials on furniture, but some of these imitations closely resemble the genuine and we just can't tell the difference. Such labels would enable us to do an accurate and more effective selling job" (Senate Committee on Interstate and Foreign Commerce hearings, August 10-11, 1959, p. 24).

We do not feel that this legislation would work a hardship on anyone in the industry. We hope that the committee will find it possible to report this legislation favorably. As indicated, it is of vital interest to all consumers who purchase hardwood products. It will protect millions of housewives and will also protect those in the trade who seek to carry on a legitimate business.

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WOODALL INDUSTRIES, INC.,  
Skokie, Ill., August 14, 1961.

HON. PETER MACK,  
*Chairman, Subcommittee of House Commerce Committee,  
Old House Office Building, Washington, D.C.*

MY DEAR CONGRESSMAN MACK: I would like to take this opportunity to express our opposition to H.R. 1141 and H.R. 1949, the decorative hardwood labeling bills. As fabricators of hardboard, we believe that this special interest legislation is designed to protect the hardwood veneer industry from natural competition of other materials and finishes. The bills do not require labeling of all materials and finishes, but rather require some materials to be labeled "simulate" and permits veneers to be labeled "genuine."

We believe there is no demonstrated need for a vast new bureaucracy to supervise literally millions of sales transactions of furniture, wall paneling, radio and TV sets, musical instruments and other products that would be covered. Local laws and courts and present Federal Trade Commission Authority to prevent deception and misrepresentation are ample and adequate to control our situation.

We will appreciate your making our views a part of the record in the hearings held August 15 and 16.

Sincerely,

C. W. COLE.

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NATIONAL LUMBER MANUFACTURERS ASSOCIATION,  
Washington, D.C., August 11, 1961.

HON. PETER F. MACK, JR.,  
*Chairman, Subcommittee on Commerce and Finance, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.*

DEAR MR. MACK: The National Lumber Manufacturers Association, a federation of 16 regional associations representing lumber manufacturers throughout the United States, favors the enactment of enforceable legislation designed to protect consumers against deception involved in the sale of products which are represented, contrary to fact, as wood. To the extent the bills currently under discussion, H.R. 1141 or H.R. 1949, go beyond the necessities of the situation and require labeling where no misrepresentation is involved, we are unable to support them in their present form.

In recent years there has been considerable misrepresentation of nonwood products as wood. Such misrepresentation generally occurs in the form of superimposing a printed reproduction of a wood grain and color on the surface of various materials so as to imitate a wood grain, figure, or growth characteristic. It is quite understandable why the manufacturers of certain nonwood products should wish to enhance the beauty of their products by adding a print of a natural wood finish. But the art of reproduction has advanced to a stage where the novice or the uninformed may not be able to distinguish the imitation from the genuine on mere visual examination. We urge, therefore, that out of fair-

ness, the seller be required to apprise his customers of the simulated nature of the wood finish, so that an honest choice of purchase may be made on the basis of the actual quality of the product.

Misrepresentation occurs largely at the retail level. Under the present law the Federal Trade Commission is not able to pursue the products involved, moving in interstate commerce, down to the retail level. Therefore, we favor legislation which would give the Commission authority to enforce the use of a proper identification label on those nonwood products which have had a simulated wood finish applied. Accordingly, we support that part of H.R. 1141 with respect to the labeling and advertising of nonwood products that are represented, in their finishing, to be wood.

No substantial need has been demonstrated for the positive labeling of genuine wood products to which an added decorative wood finish has been applied without modification of the natural grain or growth characteristics. Few instances of misrepresentation have been charged in this area. The classification and labeling of the exact type of wood grains contained in such a product would be unduly costly and unnecessarily burdensome and would involve the FTC in the regulation of an entirely new area of product competition. Consequently, we urge that any labeling legislation be limited to two requirements: (1) A label to be affixed to nonwood products that are represented, in their finishing, to be wood; and (2) a label to be affixed to any products, including wood products, on which an imitation wood grain has been superimposed.

Honest and forthright competition from products that are competitive with wood is expected and is to be welcomed in our competitive enterprise system. However, unfair competitive practices cannot be justified and it is our belief that nonwood items should be accepted or rejected on their merits and not be merchandised under a deceptive guise.

We would appreciate it if you would make this letter a part of the printed record of the hearings before your subcommittee.

Sincerely,

HENRY BAHR,

*Vice President and General Manager.*

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WASHINGTON, D.C., August 16, 1961.

HON. PETER F. MACK, Jr.,  
*Chairman, Subcommittee on Commerce and Finance, House Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.:*

While retail lumber and building material dealers are unalterably opposed to false labeling, false advertising, misbranding, or any other deception in the manufacture or sale of any product we wish to go on record against approval of H.R. 1141.

This bill would require burdensome recordkeeping for retail firms, large and small, would place the Federal Government in regulating control of many activities of retail firms doing only intrastate business, and would necessitate the employment of additional Government personnel to administer the proposed act at a time when the Government should be reducing spending for nonmilitary purposes.

The prevention of misbranding and false labeling properly belongs at the manufacturers level and should not be placed on the shoulders of retail firms selling the product to the consumer.

The present law is, in our opinion, adequate to accomplish this.

We respectfully urge this committee to reject H.R. 1141 and other similar bills pending before this committee.

We also request that this telegram be made a part of the record of hearings on H.R. 1141.

NATIONAL RETAIL LUMBER DEALERS ASSOCIATION,  
H. R. NORTHUP, *Executive Vice President.*

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FORMICA CORP.,

*Cincinnati, Ohio, August 4, 1961.*

HON. PETER F. MACK, Jr.,  
*House Office Building, Washington, D.C.*

DEAR CONGRESSMAN MACK: Our attention has been drawn to H.R. 1141, the Decorative Hardwood or Imitation Hardwood Products Labeling Act, now in



the hands of your subcommittee of the Committee on Interstate and Foreign Commerce.

We want to express our opposition to this bill. Our position in this matter is as follows and we would appreciate its incorporation in the record of your hearings.

While we are always in accord with legislation which is intended to protect consumers and others against misbranding, false advertising, and false invoicing, we cannot agree that there is any necessity for such legislation to encompass decorative laminated plastics. It seems to us that the present bill is intended to curtail competition with the hardwood industry rather than to protect the consumer against deception. Products of the decorative laminated plastics industry are marketed in such a manner that no one should be deceived as to the character of the products. They are proudly labeled to indicate that they are surfaced with laminated plastics and the emphasis is to set forth the advantages of such products over hardwood, or other materials.

Formica laminated plastic is made by impregnating paper and/or other fibrous materials with a synthetic resin which is subsequently rendered infusible by the application of heat under high pressure. The result is a product having a highly impervious surface which is resistant to water, alcohol, and fruit juices, and also is heat resistant. As a result, our product is useful in places where hardwood cannot be safely used. The use of Formica over the years in bar tops, kitchen counter tops, etc., has shown its superior qualities for other uses, such as the tops of furniture, wall paneling, and many other applications where wood products have definite limitations.

The Formica line of laminated plastics includes 16 wood grain patterns and the public demand for such patterns is constantly increasing.

Our advertising and promotion are adapted to clearly set forth the nature and characteristics of our products. Consistent consumer advertising and promotion of our product as a superior one having special characteristics for more than 20 years have led to the complete appreciation by the consumer of what our product is from a practical point of view and that it is not a hardwood material even though it may have a wood grain appearance.

We have made our brand name so well known that any product bearing the label "Formica laminated plastic" is recognized as a product distinctly different from hardwood.

We have always made ample reference to the type of our material and have done nothing which would mislead anyone into believing our product was hardwood since to do so, would be against our interest. In our 35 years of marketing Formica laminated plastic, we have not heard of a single claim of deception as bill H.R. 1141 outlines.

This bill, if enacted, would apparently require us to indicate that our plastic laminates which have a wood grain design are processed to imitate a hardwood. This we consider to be an unnecessary restriction and not a statement of fact. It is our belief that the proposed legislation is discriminatory against a well-established legitimate field of business insofar as it relates in any way to the decorative laminated plastic field.

Instead of protecting consumers, this bill would inflict unwarranted and unjustified financial hardships on the users of laminated plastic. We believe it would reflect unfairly on one of the best-known and respected names on the American scene, namely, Formica.

It is our sincere trust that you will regard H.R. 1141 in this light at the appropriate time.

Sincerely,

D. J. O'CONOR, Jr., *President.*

NATIONAL CONSUMERS LEAGUE,  
Washington, D.C., August 16, 1961.

HON. PETER F. MACK, JR.,  
*Chairman, Subcommittee on Commerce and Finance, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.*

DEAR MR. MACK: We would like to take this opportunity to urge favorable consideration for H.R. 1141 and H.R. 1949, bills to provide protection against misbranding and false advertising of decorative hardwood or simulated hardwood products.

In our increasingly complex economy, the consumer has fewer and fewer means of determining the real nature of products which he purchases. Prod-

ucts made of new, artificial materials are difficult to distinguish from the genuine materials. Many of the new products carefully simulate characteristics of the more traditional materials, sometimes adding new qualities of endurance which were not formerly available.

We think this variety and abundance is very desirable and useful. The only problem is to inform the purchaser of the exact nature of the product he is buying. This is important so that the consumer can intelligently make his choice on the basis of an informed opinion. Otherwise, he is wide open to deliberate deception by unscrupulous dealers. The importance of a purchase to the individual and to our economy as a whole makes it particularly important that the decision be rationally made.

One of the most effective and straightforward means of helping the consumer is through the use of labels which carefully denote the nature of the materials the consumer purchases. This is the basis for such valuable legislation as the Wool and Textile Labeling Acts. In purchasing cloth and clothing, the consumer now can know the exact percentage used of the different fibers.

This type of legislation would be particularly helpful in the area of hardwood and simulated hardwood products. Many important household items of furniture and items of home construction, amounting to substantial percentages of the family budget, are constructed of these materials. To be able to invest in these items as wisely as possible, the consumer should be informed through clear labeling as to whether the item is solid wood, veneered wood, etc. Under modern production techniques, it is impossible for the average consumer to make these determinations for himself. We therefore support H.R. 1141 and H.R. 1949.

We would like to request that this letter be made a part of the official hearing record.

Sincerely yours,

VERA WALTMAN MAYER,  
*General Secretary.*

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STATEMENT OF THE SOCIETY OF THE PLASTICS INDUSTRY, INC., NEW YORK, N.Y.

This statement is filed in opposition to H.R. 1141 and H.R. 1949 on behalf of the members of the Society of the Plastics Industry, Inc. The present membership of the Society of the Plastics Industry, Inc., of over 2,000, consists of companies and individuals responsible for approximately 85 percent of the plastics industry's sales dollar volumewise. The membership of the Society of the Plastics Industry, Inc., consists of companies manufacturing plastic raw materials, converters, and fabricators of end products, as well as consultants and educational institutions.

Many of the companies represented by the Society of the Plastics Industry, Inc., produce plastic products or plastic components which possess the grain effect similar to that which is found in various hardwoods. These products are produced with this finish in most instances due to a desire by the purchasing public for items which harmonize with existing decor. For this same reason many of these same product items are produced in finishes which resemble stone, cloth, metal, and other well-known materials. Illustrative of these products are the high-pressure decorative plastic laminate which has many applications in counter tops, wall paneling, and the surfacing of furniture. Also illustrative is the production of vinyl and other plastic sheeting with an embossed finish for use as a wall covering, as a covering for appliances, and similar applications.

These products have achieved wide public acceptance because of their individual qualities such as ease of cleaning and resistance to abrasion and staining, and they are marketed because of these qualities which make them superior in many cases for particular applications.

The manufacturers of these products strive to preserve the identity of their product for the same reasons. In no case is there an attempt to deceive the buying public into believing that these materials are made of hardwood or "simulated" hardwood. There is no deception of the public involved in advertising or labeling, and the industry certainly does not wish to create a deception which can have no effect other than an adverse one upon itself.

We believe that the public in fact would be deceived and certainly confused if H.R. 1141 and H.R. 1949 were passed. These bills represent special interest legislation in an area where we believe there is no need for legislation. In



addition, were these bills to be enacted the avenue would be opened for other special interests to seek similar legislation, thus adding to the confusion rather than the protection of the public.

JOSEPH T. MORRIS,  
*General Counsel, the Society of the Plastics Industry, Inc.*

AMERICAN RETAIL FEDERATION,  
*Washington, D.C., August 8, 1961.*

HON. PETER F. MACK,  
*Chairman, Subcommittee on Commerce and Finance, House Committee on Interstate and Foreign Commerce, Washington, D.C.*

DEAR MR. MACK: The American Retail Federation strongly opposes enactment of H.R. 1141 and H.R. 1949, bills designed to require labeling of hardwood and simulated hardwood products.

The American Retail Federation is a federation of 30 national retail associations and 42 statewide associations of retailers. Through its association membership, the federation represents more than 800,000 retail outlets, many of which are engaged in the sale of the products which would be covered by the two bills now under consideration by your committee.

The history of labeling legislation—wool, furs, textile products, etc.—shows that the Congress has been careful in its use of its power to require informative labeling throughout the processes of manufacturing and distribution. This history also shows that when the Congress has decided to exercise this power, it has done it over a broad base, making the requirements generally applicable to the entire industry or to all types of the product or products involved.

This is not the case with the present bills. They are designed to promote and protect the interests of a particular group of producers, the hardwood veneer producers, as against the economic interests of competing groups. This is special legislation. It is highly dubious whether the Congress should exercise its broad powers in the field of labeling for the benefit of a special group. Certainly the Congress should scrutinize carefully all aspects of such proposed legislation before taking any action. There should be a strong demonstration of consumer need. No such demonstration has been made.

In this connection it might be advisable to refer to the testimony of Mr. Earl Kintner—then Chairman of the Federal Trade Commission—on a similar bill considered in the 86th Congress. Mr. Kintner said:

"If the record is made which would justify labeling, this is special legislation beyond a doubt and I personally, if I am pressed on the point, am opposed in principle to special legislation. I think that there ought to be a demonstrated necessity for it or else the overriding principle against special legislation should prevail."

And a little later he said:

"As a general principle, the Commission favors specific labeling legislation of the type proposed only in those areas where there has been demonstrated a strong consumer need. Based on presently available information, we are not aware of the extent of the need for this legislation."

The need for this legislation, its effects upon other segments of industry, and the amount, if any, of consumer protection which it will afford, therefore, should be very carefully appraised by this committee, and by the Congress before taking any final action.

The bills under consideration are concerned only with hardwood and simulated hardwood products. They ignore the fact that there are many items made from softwoods such as pine, cypress, redwood, rattan, etc. If the purpose of the bills is for consumer protection, and not the advancement of special interests, and if any protection is needed in this field, it should be inclusive. The guise of consumer protection should not be used to promote the special interests of a small group at the expense of competing groups.

The bills also ignore consumer interests in another aspect. Articles made from fiberboard, plastic, metal, gypsum, etc., with a simulated wood-grain finish must be labeled to show not only what the material is, but also the specific wood species simulated. However if the article has a hardwood surface, the label need not say more than "genuine hardwood," or if veneered, "veneered," without disclosing the kind of wood actually employed, etc.

For these reasons the members of the American Retail Federation oppose any attempts to impose mandatory labeling requirements on hardwood and simulated hardwood products.

We ask that this statement be made a part of the record.

Respectfully submitted.

WILLIAM C. McCAMANT,  
*Director of Trade and Public Relations.*

FABRICON PRODUCTS,  
*Los Angeles, Calif., August 10, 1911.*

Re H.R. 1141 and H.R. 1949.

HON. OREN HARRIS,  
*Chairman, Interstate and Foreign Commerce Committee,  
Washington, D.C.*

DEAR CONGRESSMAN HARRIS: With reference to the captioned House bills, which would establish certain labeling practices, I wish to voice my opposition to such legislation.

Such special legislation is discriminatory, unnecessary, and wasteful. I am unable to comprehend the representation the American public has in Washington, falling to the will of certain groups of people.

I suggest that you and your associates spend your time on items more closely allied to the general well-being of our great Nation, rather than entering into programs requiring unnecessary and wasteful activities.

Very truly yours,

J. T. WATKINS, Jr., *Vice President.*

NATIONAL GRANGE,  
*Washington, D.C., August 10, 1961.*

Re Grange support of H.R. 1141 and H.R. 1949.

HON. PETER MACK,  
*Chairman, Subcommittee on Commerce and Finance,  
House Interstate and Foreign Commerce Committee,  
Washington, D.C.*

DEAR MR. CHAIRMAN: The Grange supports H.R. 1141 and H.R. 1949, bills which are designed to protect consumers and others against misleading labeling, false advertising, and false invoicing of decorative hardwood or imitation hardwood products.

It is the position of the National Grange this legislation would amend the Federal Trade Commission Act in such a way as to prevent unfair and deceptive practices in marketing substitute products for fine hardwoods.

Respectfully yours,

HERSCHEL D. NEWSOM, *Master.*

SOUTHERN RETAIL FURNITURE ASSOCIATION,  
*High Point, N.C., August 10, 1961.*

HON. PETER F. MACK, Jr.,  
*U.S. House of Representatives,  
Chairman, Subcommittee on Commerce and Finance,  
Washington, D.C.*

DEAR MR. MACK: I would ask that the following statement be made part of the record regarding the decorative hardwood labeling bills, H.R. 1141 and H.R. 1949.

The Southern Retail Furniture Association represents nearly 900 home goods stores in the States of Virginia, North and South Carolina.

The association's standpoint is in opposition to this legislation and it supports to the fullest the position taken by the National Retail Furniture Association in its testimony opposing the legislation as given by Mr. Robert E. Carter, Hub Furniture Co., Baltimore, Md., and chairman of NRFA's Governmental Affairs Committee.

We would appreciate your support of our stand.

Sincerely,

ROBERT C. DEALE, Jr., *Executive Vice President.*



## STATEMENT OF THE LAMINATED PRODUCTS DEPARTMENT, GENERAL ELECTRIC CO.

This statement is filed by the Laminated Products Department of General Electric Co., located in Coshocton, Ohio, which is a manufacturer of industrial and decorative laminated products which it sells under the trademark Textolite.

H.R. 1141 is entitled: "A bill to protect consumers and others against misbranding and false advertising of decorative hardwood or simulated hardwood products."

This statement is to demonstrate, first, that there is not any need for legislation to accomplish the purposes of this bill and, secondly, that this bill goes far beyond the purpose expressed in the title.

1. *No need for legislation.*—Even if the public requires protection against misbranding and false advertising of decorative or industrial laminated products, there is no need for additional legislation. The public already is adequately protected by section 5 of the Federal Trade Commission Act.<sup>1</sup> That section makes unlawful "unfair methods of competition \* \* \* and unfair or deceptive acts or practices \* \* \*" and there are numerous proceedings brought by the Federal Trade Commission that make it abundantly clear that this language prohibits misrepresentation of the composition, quality, or character of a product. Thus, there already exists sufficient legislation to protect the public in the respects set forth in the title of H.R. 1141.

If, despite the existence of adequate legislation, it be deemed necessary that more detailed rules be established for labeling and advertising laminated products, there already exists under the Rules of Practice of the Federal Trade Commission a procedure for establishing trade practice conference rules to eliminate or prevent unfair methods of competition, unfair or deceptive acts or practices and other illegal trade practices. Such rules have greater flexibility than does legislation and it is submitted that promulgation of a trade practice conference practice rule would adequately protect the public—if any such protection is required.

It is further submitted that such protection is not required in view of the activities of the National Better Business Bureau and its local agencies. This private bureau, financed by businessmen, works ceaselessly against misrepresentation through publicity, consultation, and persuasion.

Your attention is respectfully invited to the fact that the Federal Trade Commission on at least two occasions has stated that "the Commission \* \* \* is not aware of \* \* \* the need for this type of legislation". (S. Rept. 1405, 86th Cong., 2d sess., May 23, 1960.)

It has not been demonstrated that the Federal Trade Commission Act, the trade practice conference rules or the activities of the Better Business Bureau are inadequate to protect the public. In the absence of such a demonstration, H.R. 1141 should not be enacted.

2. *Even if legislation should be desired, H.R. 1141 goes far beyond the purposes expressed in its title.*—As stated above, the expressed purpose of H.R. 1141 is "to protect consumers and others against misbranding and false advertising." If—which the undersigned denies—legislation is required to accomplish this purpose, the legislation should be limited to that purpose and should not go beyond. Thus, the prohibitions of subsection (a) (1) of section 4 of H.R. 1141 should suffice since they would prevent false or deceptive labeling or identification.

However, H.R. 1141 goes far beyond this purpose. In addition to the stated prohibitions, this bill (sec. 4(a) (2)) makes mandatory the affixing of a prescribed label to each decorative hardwood or simulated hardwood product. It is submitted that mandatory labeling is undesirable and, in fact, it is further submitted that it should be brought to the attention of the Congress that it is physically impractical to affix a label to each piece of laminated product.

Furthermore, labeling of content is of little value to the consumer (except where clearly related to health and safety). A laminated product is only one factor in a completed, fabricated article. Even if the consumer is specifically informed of the contents of the fabricated article, he is not informed of the quality of workmanship, durability or adaptability to a particular use, factors which are as important as the identification of the materials content of the article.

<sup>1</sup> Act of Sept. 26, 1944, ch. 311, 38 Stat. 717, as amended. "An act to create a Federal Trade Commission, to define its powers and duties and for other purposes."

3. *Opposition to the use of the term "simulated".*—As stated above, the undersigned is unalterably opposed to legislation on the subject of mandatory labeling. If, despite this opposition, the Congress should see fit to legislate mandatory labeling, it is submitted that such legislation should not be as extreme and prejudicial as is H.R. 1141.

The Congress has previously enacted the Wool Products Labeling Act of 1939, the Fur Products Labeling Act, and the Textile Fiber Products Identification Act. These laws require that labels correctly identify the contents of the respective products. H.R. 1141 would go further. It would require that a laminated product in a wood grain pattern be labeled "simulated." It is submitted that the requirement of designating a product as a simulated product is prejudicial. The word "simulated" connotes inferiority and would adversely affect the marketability of any product with which it is identified. By way of explanation, decorative laminates have shown, on the basis of laboratory tests and extensive use of hundreds of millions of square feet, marked superiority over hardwoods in scratch and wear resistance, heat and cigarette resistance, stain resistance, and so forth.

Moreover, the general public has recognized and acknowledged these advantages and demanded decorative laminated products where these characteristics are important. General Electric Co. is a reputable organization that clearly identifies its laminated products as such. It also states in its advertising and sales promotional material that its laminated wood grain patterns are patterns; it does not state that they are wood. It is submitted that General Electric Co. and other manufacturers of laminated products should not be penalized by a legislative enactment requiring the use of the word "simulated."

4. *Summary.*—In summary, it is submitted that there is no need for legislation of the type of H.R. 1141. The existing Federal Trade Commission Act is sufficient. The Federal Trade Commission procedure for trade practice conference rules is available if more detailed rules are desired, and the activities of the Better Business Bureau are available for voluntary self-regulation. If legislation is desired, it should be limited to a prohibition against misbranding and false advertising; it should not go further and require a statement of contents. Further, even if a statement of contents would be required, there should not be a requirement that the word "simulated" be used since this word has an inherent inference of inferiority.

Respectfully submitted.

D. A. HOPPER, *General Manager.*

NATIONAL ASSOCIATION OF MANUFACTURERS,  
New York, N.Y., August 16, 1961.

HON. PETER F. MACK, Jr.,  
*Chairman, Subcommittee on Commerce and Finance, Interstate Commerce Committee, House of Representatives, Washington, D.C.*

DEAR REPRESENTATIVE MACK: I am submitting to you herewith on behalf of the National Association of Manufacturers with which I serve as chairman of the marketing committee, our views on H.R. 1141 and H.R. 1949, calling for the mandatory labeling and other regulations regarding the sale of certain hardwood products.

I respectfully request that our statement on these bills be made a part of the record of the hearings now in progress before your subcommittee.

Respectfully yours,

D. BERYL MANISCHEWITZ,  
*Chairman, Marketing Committee.*

#### STATEMENT OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

This statement is submitted on behalf of the National Association of Manufacturers, a voluntary organization of some 19,000 member firms of all sizes, and representative of industry in virtually every product line and in every section of the country. The great majority of our members are small manufacturers in the accepted use of the term, with 83 percent employing fewer than 500 employees, and nearly half employing fewer than 100 employees. Our views on national issues are formed through consideration by qualified committees equally representative of American industry and upon adoption of a two-thirds majority of the association's board of directors. Our concern over provisions of the bills in-



volved in these hearings has been expressed in particular by the marketing committee of the association which is continuously engaged in the study of trade regulation by the various agencies of the Government.

Briefly, the bills under consideration here would regulate the advertising and labeling of hardwood products, or their substitutes, by identifying either the common name of the hardwood used for the exposed surfaces of the product, or requiring the phrase "genuine hardwoods," and further identifying the use of veneers or plywoods. Where other woods or materials such as metals, plastics, and fibers are stained or processed to give the appearance of hardwoods, the labels must employ the word "simulated."

Advertising must be equally explicit under the proposal and the word "simulated" must appear in type as large and as legible as the hardwood represented. Enforcement of the new labeling regulation would be a responsibility of the Federal Trade Commission, and violators of the law would be liable to fines of up to \$5,000 and a year's imprisonment, as well as to injunction proceedings and condemnation of the property.

The views of our association on the proposal are based upon a particularly relevant expression of policy entitled "Mandatory Labeling," adopted by the board of directors upon recommendation of its marketing committee on June 25, 1959, as follows:

#### "MANDATORY LABELING

"Efforts to impose mandatory labeling regulations regarding the composition or content of particular lines of products may lead, in some cases, to deception of the public as to the quality or functional use of the article. Industry believes, therefore, that laws requiring the labeling of products, unless clearly related to the health or safety of the public, are not necessarily in the consumer interest, and constitute an unwarranted intrusion by the Government into normal marketing practices."

Thus, our interest in these bills goes beyond the specific problem of trade practices in the hardwoods industry to the larger question of whether it is appropriate for the Federal Government to enact detailed proscriptions and compulsions affecting the advertising and labeling of fabricated products generally, or whether these functions are best regulated by the powerful forces of the free market itself.

We have heretofore submitted to the 86th Congress our comments on bills which were in the main identical to those now before this subcommittee. On August 13, 1959, we expressed these objections in some detail to the Senate Interstate and Foreign Commerce Committee and, on June 16, 1960, even more comprehensively, to this committee.

Now and in the past we have joined with those who condemn any deception in the marketing and sale of goods, at any level of distribution. We agree with the proponents of these bills that deceptive or unethical practices in the merchandising of wood products should be corrected. As an association of all types of manufacturers we have no particular knowledge of the advertising or other competitive problems of the wood fabricating industry, and we are unaware as to the extent of any advertising or labeling deceptions. We wish to call to the subcommittee's attention, however, testimony previously before it that the mingling of hardwoods of various species in wood products, and the use of wood substitutes, is well recognized in the trade itself, and the possibility of deception by manufacturers among wholesalers and retailers is extremely remote. Yet the burden of the legislation falls mainly upon the manufacturing segment of business. As to deception of the ultimate consumer, we also call attention of the subcommittee to repeated statements of the Federal Trade Commission, most recently expressed in a letter of May 20, 1960, by former Chairman Earl W. Kintner to the Honorable Oren Harris, chairman of the House Interstate and Foreign Commerce Committee, casting doubt on the existence of a problem of any magnitude. Chairman Kintner reported:

"\* \* \* the Commission, based on presently available information, is not aware of the extent of the need for legislation of this type in the field of wood products and imitation wood products."

We hope that the subcommittee will keep in mind that the problem in this industry also appears to be unlike other instances in which it may be contended substitute materials of inferior quality are offered to the public, and hence should be identified. The issue of "quality" in fact has not been prominent in the hearings to date. Particular note may be paid to the observation of the

Department of Agriculture, contained in a letter of March 4, 1960, by Acting Secretary True D. Morse to Representative Harris.

"The bill is designed chiefly to insure the customer against falsifications regarding the surface appearance of the product. In general, we believe this to be a desirable objective. However, other properties than surface appearance often are of greater importance in determining the suitability of a product for a specific use. For example, strength, hardness, dimensional stability, and weight will vary considerably, depending upon the material which is covered by the surface material."

The former Secretary here touched upon a fundamental point, also found in our association's policy on "Mandatory Labeling", that emphasis upon the content of a particular product may itself lead to deception of the public as to the quality or functional use of the article. For example, a product which is boldly proclaimed as containing nothing but natural materials may be either inferior, or less suitable for the particular use of the customer, than an article composed of a variety of manmade substances. Where this emphasis is rigorously imposed by Federal law, the Government plays a role in misleading the public in the selection of goods. The proposal for mandatory labeling of hardwoods and wood substitutes appears to be another instance of the "boomerang effect" of Government intervention into the marketing process, creating more problems for the consumer than it solves.

We believe that there are four compelling reasons which should lead the subcommittee to reject further consideration of these bills. They may be summarized as follows:

1. The Federal Trade Commission already has ample powers to control deceptive advertising and labeling, and responsible officials of the agency have so stated. If enacted, this proposal would become an ad hoc statute further duplicating a host of other Federal, State and local laws. The FTC, in fact, has moved consistently in recent years to broaden its jurisdiction, claiming the power to use its authority over local businesses adjacent to State borders, and over purely local businesses through advertising carried in mail, newspapers and other media crossing State lines.

The famous "Printer's Ink" model statute prohibiting misrepresentations of any sort have been adopted in 43 States, including Hawaii. These or similar statutes in all 50 States are well known to businessmen and have proved a powerful deterrent through the years to deceptive practices by unscrupulous sellers. Finally there are, in every State in the Union, common law remedies against deceit, fraud, and breach of contract of warranty. We believe that such deliberate misrepresentations as may exist in the cabinet, furniture, or other wood products industries are susceptible to control under all of these existing laws. Ethical businessmen, we believe, will welcome vigorous action by the FTC or other agencies to prevent deceptive practices in this area as in other areas which the FTC has singled out for specific enforcement campaigns.

2. The proposals directly involve the Congress in a cross-current of competitive conflicts both between manufacturers of different product lines, and between different sections of the country. The competition has arisen, and the issue has intensified, with the development of new technology in the processing or printing of woods, metals, fibers, plastics, and other materials, all impinging on the markets of producers of natural woods. The bills go beyond a mere prohibition of deception; they affirmatively require the use of the word "simulated" for all woods or materials finished to resemble hardwood grains. This is a modification of the requirement of earlier versions of the bills calling for use of the word "imitation" in labels and advertisements. Proponents apparently have recognized that the word "imitation" carries a stigma in our language and that the power of Government should not be used to stigmatize one product to the advantage of another. It is doubtful whether the bill is helped by substitution of the word "simulated." It is accepted that natural materials have an emotional advantage over substitutes and the principle remains that the Government should not force a manufacturer to place emphasis upon particular words reflecting on his product. We repeat, however, that by the same token the seller of substitute materials has no right to misrepresent his product as a natural article. Hence, the Government's role should be directed toward preventing such deceptions where they arise, not toward compelling entire industries to undertake advertising unfavorable to themselves.

The Congress further would involve itself in commercial competition between different geographical sections of the country. It is inescapable that such a law if enacted, would provide a built-in advantage for producers of certain popular



hardwoods grown in particular areas over producers of equally suitable but less favored or less well-known hardwoods in other areas.

3. The law would be of little positive value to the industry and in many instances would influence the consumer in his choice of goods, without contributing to the wisdom of his choice. As previously noted, the record of earlier hearings discloses no misunderstanding of labeling and advertising practices within the trade. There apparently is general acceptance of the use of substitute woods, for example, in furniture because of the scarcity of the popular species used for exposed surfaces. Moreover, the new version of the bills permits producers and sellers to identify their products merely as containing "genuine hardwoods," as an alternative to specific labeling of species. It is difficult to see how such a generalization would be of any value at all to the consumer, and it would seem even to lessen the protections now provided within the trade. Further, as already pointed out, newly developed materials may be actually superior to natural hardwoods in such qualities as strength and hardness, and far better suited for the manufacture of particular articles. Yet, inevitably, the connotations of the language to be required in the advertising and labeling will lead the typical consumer to believe the tables, chairs, bookcases, instrument cabinets, paneling and other items made of such materials are but imitations of the "real thing" and of lesser value or durability. Enactment of such a law would be doing no favor to the consumers of the Nation.

4. Congress should consider the discouraging impact that special legislation will have upon the variety of voluntary programs to protect the consumer which have been in progress through the years in both this and other areas. The Federal Trade Commission itself, through the Division of Trade Practice Conferences of its Bureau of Consultation, is at the moment evolving voluntary rules for the household furniture industry which deal with wood finishes as well as fabrics and other aspects of the furniture trade. These rules, formulated as the subcommittee is aware with the cooperation of industry, are expected to require affirmative disclosure of the materials employed, and thus go to the heart of the problem dealt with in these bills. Even if legislation were conceded to be appropriate, it would seem wise to give this voluntary effort an opportunity to correct the situation. In addition, rules of practice for the television and radio industry now specifically regulate advertising and labeling of cabinet materials, another key objective of the bills. The continuing programs of the industry-supported Better Business Bureau movement and the growth of formalized control programs by advertising, business and trade groups, are other voluntary means of providing consumer protection. The proliferation of Federal regulation in marketing as in other areas cannot help but discourage and ultimately supplant these desirable voluntary efforts to provide the consumer with maximum protection in the marketplace.

On the whole, there appears today to be less need for the special interest legislation embodied in these bills than ever before. Our association, therefore, believes the best course for the Congress is to reject these bills in their entirety, and to rely upon existing statutes and voluntary methods to solve whatever problems remain in the marketing of the products involved in this issue.

(Whereupon, at 12:30 p.m., the subcommittee adjourned.)









